

THE SURRENDER OF RUPERT'S LAND BY THE HUDSON'S BAY COMPANY

1869



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CANADA (RUPERT'S LAND).

RETURN to an Address of the Honourable The House of Commons,
dated 5 August 1869;—for,

"COPY or EXTRACTS of CORRESPONDENCE between the Colonial Office, the
Government of the Canadian Dominion, and the Hudson's Bay Company,
relating to the Surrender of RUPERT'S LAND by the Hudson's Bay
Company, and for the Admission thereof into the Dominion of Canada."

Colonial Office,
11 August 1869.

W. MONSELL.

(Mr. Monk.)

Ordered, by The House of Commons, to be Printed,
11 August 1869.

SCHEDULE.

DESPATCHES FROM THE GOVERNOR.

| No. in Series. | Number and Date. | S U B J E C T. | Page. |
|----------------|---------------------------------------|--|-------|
| 1 | 21 December 1867 (No. 107.) | (VISCOUNT MONCK.) Transmits Address to Her Majesty from Senate and House of Commons of Canada, praying for Order in Council to annex Rupert's Land to the Dominion of Canada. | 1 |
| 2 | 1 January 1868 - (No. 1.) | Transmits Minutes of Council, with Resolutions of both Houses, respecting proposed Annexation of Rupert's Land and North West Territory to the Dominion. | 2 |
| 3 | Telegram (received 10 Sept. 1868). | Desires to send over Delegates to negotiate with Hudson's Bay Company for transfer of Territory. | 4 |
| 4 | Telegram (received 14 Sept. 1868). | Delegates do not wish to leave Canada till last week in November - - - | 4 |
| 5 | Telegram (received 18 Sept. 1868). | Delegates will leave for England on 7th October - - - - - | 4 |
| 6 | Telegram (received 23 Sept. 1868). | (RIGHT HON. SIR J. YOUNG.) Delegates to sail on 3rd October, and will be due in England about the 13th - | 5 |
| 7 | 2 October 1868 - (No. 182.) | Transmits copies of Minutes appointing Sir G. E. Cartier and the Honourable W. M'Dougall as Delegates respecting the transfer of the Hudson's Bay Territory to the Dominion. | 5 |
| 8 | 4 June 1869 - (No. 60.) | Transmits Address to Her Majesty, and other documents, on the subject of the transfer of the Hudson's Bay Territory. | 6 |
| 9 | Telegram (received 19 June 1869). | Asks leave of Hudson's Bay authorities to survey lands before actual transfer - | 9 |
| 10 | 2 July 1869 - (No. 73.) | Transmits Messages of Governor General to Parliament during last Session, and Reports by Sir G. E. Cartier and Hon. W. M'Dougall. | 10 |

DESPATCHES FROM THE SECRETARY OF STATE.

| | | | |
|---|--------------------------------|---|----|
| 1 | 18 January 1868 - (No. 16.) | (DUKE OF BUCKINGHAM AND CHANDOS.) Decision of Her Majesty's Government will be communicated as early as possible respecting the Annexation of Rupert's Land. | 12 |
| 2 | 23 April 1868 - (No. 76.) | Willingness of Her Majesty's Government to recommend compliance with Address praying for proposed Act of Parliament. | 12 |
| 3 | 8 August 1868 - (No. 173.) | Transmits Act of Parliament for transfer of Hudson's Bay Territory - - | 13 |
| 4 | Telegram, 17 September 1868. | Inability to defer negotiations with Hudson's Bay Company - - - - | 13 |
| 5 | 10 April 1869 - (No. 64.) | (THE EARL GRANVILLE.) Transmits Resolution of Hudson's Bay Company for surrender of their rights - | 14 |
| 6 | 25 June 1869 (No. 122.) | No objection by Company to commencement of Survey of Hudson's Bay lands - | 15 |
| 7 | 10 August 1869 - (No. 157.) | Encloses copy of Telegram of same date, announcing the passing of the Rupert's Land Loan Act. | 15 |

CORRESPONDENCE BETWEEN THE COLONIAL OFFICE AND THE HUDSON'S BAY COMPANY.

| No. in Series. | From whom. | Date. | S U B J E C T. | Page. |
|----------------|----------------------|---------------|--|-------|
| 1 | Hudson's Bay Company | 15 Jan. 1868 | Submits views on the proposal by Canadian Government for admission of Rupert's Land into the Dominion. | 16 |
| 2 | Colonial Office - - | 18 Jan. 1868 | Transmits Address to Her Majesty from the Senate and Commons of Canada, praying for union of Rupert's Land and North West Territory with the Dominion. | 17 |
| 3 | Colonial Office - - | 18 Jan. 1868 | Proceedings of the Canadian Parliament on the subject of Hudson's Bay Company. Acknowledges Letter of 15th instant, which will receive consideration. | 17 |
| 4 | Hudson's Bay Company | 25 Jan. 1868 | Observations on the Address of the Canadian Government to the Queen on the subject of transfer. | 17 |
| 5 | Colonial Office - - | 23 April 1868 | Compliance of Her Majesty's Government with wish of Canadian Parliament for the union of Rupert's Land and North West Territory with Canada. | 22 |
| 6 | Hudson's Bay Company | 24 April 1868 | Acknowledges Letter of 23rd instant, and states that Lord Kimberley has been elected Governor of the Company. | 22 |
| 7 | Hudson's Bay Company | 13 May 1868 | Views on the subject of the terms of surrender of Rupert's Land and North West Territory. | 22 |
| 8 | Colonial Office - - | 7 Aug. 1868 | Certain terms in the Bill passed for surrender of territory to the Crown cannot be agreed to. | 25 |
| 9 | Hudson's Bay Company | 16 Aug. 1868 | Will shortly communicate with the Duke of Buckingham as to interview with Secretary of State. | 25 |
| 10 | Hudson's Bay Company | 27 Oct. 1868 | Modification of terms regarding proposed transfer to which the Company are prepared to agree. | 25 |
| 11 | Colonial Office - - | 1 Dec. 1868 | Terms on which Her Majesty's Government will be prepared to conclude an arrangement for transfer and submit it to the Canadian Government. | 27 |
| 12 | Hudson's Bay Company | 10 Dec. 1868 | Acknowledges Colonial Office Letter of 1st instant, and states that its contents will be considered without delay. | 30 |
| 13 | Hudson's Bay Company | 22 Dec. 1868 | States that the consideration of the Colonial Office Letter of 1st instant is postponed until election of a new Governor. | 31 |
| 14 | Hudson's Bay Company | 22 Dec. 1868 | Encloses extracts of Letters received from Governor Mactavish, intimating the intention of the Canadian Commissioner for Public Works to construct a road from Fort Garry to the Lake of the Woods, through the territory of the Company. | 31 |
| 15 | Colonial Office - - | 4 Jan. 1869 | Requests that no delay may take place in answering the proposals contained in Mr. Adderley's Letter of 1st instant. | 32 |
| 16 | Hudson's Bay Company | 13 Jan. 1869 | Submits explanations of proposals for ceding territory - | 32 |
| 17 | Colonial Office - - | 28 Jan. 1869 | Acknowledges Letter of the 22nd December. States that a copy of it has been forwarded to Sir George Cartier and Mr. M'Dougall for any explanation it may be in their power to afford respecting the proceedings of the Canadian Government respecting the formation of a road. | 35 |
| 18 | Hudson's Bay Company | 2 Feb. 1869 | Acknowledges the above. Their objection is not to the roads being made, but to its being undertaken by the Canadian Government, as a matter of right, when negotiations are still in progress for the transfer of the Company's possessions to Canada. | 35 |
| 19 | Colonial Office - - | 22 Feb. 1869 | Transmits copy of a Letter from Sir G. E. Cartier and Mr. M'Dougall relative to the differences between the Hudson's Bay Company and the Canadian Government on the subject of the surrender. | 37 |
| 20 | Hudson's Bay Company | 26 Feb. 1869 | Submits replies in reference to counter-proposals of Sir G. Cartier and Mr. M'Dougall on the subject of the terms of surrender. | 38 |
| 21 | Colonial Office - - | 9 Mar. 1869 | Proposed terms of transfer to Canada of the Company's jurisdiction and territorial rights. | 40 |

| No. in Series. | From whom. | Date. | S U B J E C T. | Page. |
|----------------|----------------------|---------------|---|-------|
| 22 | Hudson's Bay Company | 22 Mar. 1869 | Will recommend to a general meeting for adoption by the Company the proposal of Secretary of State. | 42 |
| 23 | Colonial Office - - | 24 Mar. 1869 | With reference to the payment of salary of Bishop of Rupert's Land in event of transfer. | 46 |
| 24 | Colonial Office - - | 3 April 1869 | Transmits Correspondence with Delegates relative to the surrender of rights. | 46 |
| 25 | Hudson's Bay Company | 10 April 1869 | Resolution of meeting acceding to Secretary of State's proposal. | 47 |
| 26 | Colonial Office - - | 17 April 1869 | Acknowledges acceptance of terms of transfer - - - | 47 |
| 27 | Colonial Office - - | 19 June 1869 | Transmits Telegram from Governor asking permission to commence survey. | 47 |
| 28 | Colonial Office - - | 6 Aug. 1869 | Transmits protest of Mr. Stewart against surrender of territory. | 48 |
| 29 | Hudson's Bay Company | 9 Aug. 1869 | Acknowledges receipt of Mr. Stewart's protest against the surrender of the Hudson's Bay Territory. | 49 |

CORRESPONDENCE BETWEEN THE COLONIAL OFFICE AND SIR G. CARTIER
AND MR. M'DOUGALL (DELEGATES).

| | | | | |
|---|---------------------|--------------|--|----|
| 1 | Colonial Office - - | 30 Dec. 1868 | Transmits Letter from the Hudson's Bay Company relating to some steps taken under the authority of the Canadian Government, from which they apprehend some invasion of their territorial rights. Requests explanation of the steps taken by the Canadian Government. | 50 |
| 2 | Delegates - - - | 16 Jan. 1869 | In reply to the above, and affords the explanations required. | 50 |
| 3 | Colonial Office - - | 18 Jan. 1869 | Transmits copy of answer of the Company to proposal made for cession of Hudson's Bay Company's territorial rights. | 52 |
| 4 | Delegates - - - | 9 Feb. 1869 | Submits views on the Question of the proposed cession of Hudson's Bay Territory. | 52 |
| 5 | Colonial Office - - | 9 Mar. 1869 | Transmits copy of terms proposed to the Hudson's Bay Company for transfer of their rights. | 63 |
| 6 | Delegates - - - | 27 Mar. 1869 | Regrets inability to await the Company's decision as to transfer of North West Territory, public duties requiring an immediate return to Canada. | 64 |

A P P E N D I C E S.

| | | |
|--|-----------|----|
| Appendix I.—Clause 146 of the British North America Act, 1867 | - - - - - | 65 |
| Appendix II.—“Rupert's Land Act, 1868” | - - - - - | 65 |
| Appendix III.—Correspondence between the Colonial Office and the Hudson's Bay Company :— | | |
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| Colonial Office, 11 March 1864 | - - - - - | 68 |
| Hudson's Bay Company, 14 March 1864 | - - - - - | 70 |
| Colonial Office, 5 April 1864 | - - - - - | 72 |
| Hudson's Bay Company, 13 April 1864 | - - - - - | 72 |
| Colonial Office, 6 June 1864 | - - - - - | 74 |
| Hudson's Bay Company, 7 December 1864 | - - - - - | 75 |
| Colonial Office, 23 January 1867 | - - - - - | 76 |

COPY or EXTRACTS of CORRESPONDENCE between the Colonial Office, the Government of the Canadian Dominion, and the Hudson's Bay Company, relating to the Surrender of RUPERT'S LAND by the Hudson's Bay Company, and for the Admission thereof into the Dominion of *Canada*.

Correspondence between the Governor General and Secretary of State.

DESPATCHES FROM THE GOVERNOR GENERAL.

— No. 1. —

(No. 107.)

COPY of a DESPATCH from Governor General Viscount *Monck* to his Grace the Duke of *Buckingham and Chandos*.

Ottawa, 21 December 1867.

(Received, 6th January 1868.)

(Answered, No. 16, 18th January 1868, page 12.)

(Further answered, No. 76, 23rd April 1868, page 12.)

My Lord Duke,

I HAVE the honour to transmit a joint Address to Her Majesty the Queen, from the Senate and House of Commons of the Dominion of Canada, praying that Her Majesty will be graciously pleased to direct that an Order in Council may be passed in conformity with the provisions of the 146th section of the British North America Act, 1867, for annexing to the Dominion of Canada the Territory of Rupert's Land and the Red River Settlement.

I have the honour to request that your Grace will lay this Address at the foot of the Throne.

I have, &c.
(signed) *Monck*.

No. 1.
Governor General
Viscount *Monck*
to his Grace the
Duke of *Buckingham and Chandos*.
21 December 1867.

Enclosure in No. 1.

To the Queen's Most Excellent Majesty.

Enclosure in No. 1.

Most Gracious Sovereign,

WE, your Majesty's most dutiful and loyal subjects, the Senate and Commons of the Dominion of Canada, in Parliament assembled, humbly approach your Majesty, for the purpose of representing:

That it would promote the prosperity of the Canadian people, and conduce to the advantage of the whole Empire if the Dominion of Canada, constituted under the provisions of the British North America Act of 1867, were extended westward to the shores of the Pacific Ocean;

That the colonization of the fertile lands of the Saskatchewan, the Assiniboine, and the Red River districts, the development of the mineral wealth which abounds in the regions of the North West, and the extension of commercial intercourse through the British possessions in America from the Atlantic to the Pacific, are alike dependent upon the establishment of a stable Government for the maintenance of law and order in the North Western Territories;

That the welfare of a sparse and widely-scattered population of British subjects of European origin, already inhabiting these remote and unorganised territories, would be

materially enhanced by the formation therein of political institutions bearing analogy, as far as circumstances will admit, to those which exist in the several Provinces of this Dominion;

That the 146th section of the British North American Act of 1867 provides for the admission of Rupert's Land and the North Western Territory, or either of them, into union with Canada, upon the terms and conditions to be expressed in Addresses from the Houses of Parliament of this Dominion to your Majesty, and which shall be approved of by your Majesty in Council;

That we do therefore most humbly pray that your Majesty will be graciously pleased, by and with the advice of your Most Honourable Privy Council, to unite Rupert's Land and the North Western Territory with this Dominion, and to grant to the Parliament of Canada authority to legislate for their future welfare and good government; and we most humbly beg to express to your Majesty that we are willing to assume the duties and obligations of Government and legislation as regards those territories;

That in the event of your Majesty's Government agreeing to transfer to Canada the jurisdiction and control over the said region, the Government and Parliament of Canada will be ready to provide that the legal rights of any corporation, company, or individual within the same shall be respected, and placed under the protection of courts of competent jurisdiction;

And furthermore, that upon the transference of the territories in question to the Canadian Government, the claims of the Indian tribes to compensation for lands required for purposes of settlement, will be considered and settled in conformity with the equitable principles which have uniformly governed the British Crown in its dealings with the aborigines.

All which we humbly pray your Majesty to take into your Majesty's most gracious and favourable consideration.

The Senate.
Tuesday, 17th December 1867. }

(signed) *Joseph Cauchon,*
Speaker.

House of Commons,
Monday, 16th December 1867. }

(signed) *James Cockburn,*
Speaker.

— No. 2. —

(No. 1.)

No. 2.
Governor General
Viscount Monck
to his Grace the
Duke of Bucking-
ham and Chandos.
1 January 1868.

COPY of a DESPATCH from Governor General Viscount *Monck* to his Grace the Duke of *Buckingham and Chandos*.

Government House, Ottawa, Canada,
1 January 1868.

My Lord Duke,

(Received 16 January 1868.)

* Page 1.

REFERRING to my Despatch, No. 107,* of 21st December 1867, I have the honour to transmit to your Grace an approved Minute of the Privy Council of Canada, together with the Resolutions of both Houses, and the proceedings upon them respecting the proposed annexation of Prince Rupert's Land and the North West Territory to the Dominion of Canada.

I desire especially to call your Grace's attention to the eighth Resolution, adopted by both Houses, and which was not incorporated in the Address to Her Majesty.

If Her Majesty's Government should approve of the proposed incorporation with Canada of this territory on the terms contained in the Address to the Queen, and these Resolutions, it would be of great advantage to my Government if I could be informed of the decision, by telegraph, in order that all necessary steps may be taken for carrying the arrangement into effect.

I have, &c.
(signed) *Monck.*

Enclosure 1, in No. 2.

Encl. 1, in No. 2. COPY of a REPORT of a Committee of the Honourable the Privy Council, dated 28th December 1867, approved by His Excellency the Governor General.

THE Committee have had under consideration the annexed Memorandum from the Honourable the Minister of Public Works, submitting for your Excellency in Council certain recommendations on the subject of the negotiation with the Imperial Government for

for the transfer of Rupert's Land and the North West Territory to Canada, and they respectfully advise that a copy of the same, when approved by your Excellency, be forwarded to his Grace the Secretary of State for the Colonies, as embodying the views of the Canadian Government on that important question.

Certified.

(signed) *Wm. H. Lee*, Clerk to the Privy Council.

THE undersigned has the honour to submit for the consideration of your Excellency in Council the following recommendations on the subject of the negotiation with the Imperial Government for the transfer of Rupert's Land and the North West Territory to Canada:—

1. That in addition to the joint Address of both Houses on the subject, your Excellency will be pleased to transmit to the Secretary of State for the Colonies, the Resolutions as they were finally adopted by the House of Commons and the Senate, with the votes and proceedings of both Houses thereon.
2. That the attention of his Grace the Duke of Buckingham be specially called to the eighth Resolution, which was not embodied in the Address, and was not intended by the Canadian Parliament to express a term or condition of the Order in Council authorised by the 146th section of the British North America Act.
3. That your Excellency will be pleased to express to his Grace, as the opinion of the Canadian Government, that it is highly expedient that the transfer which the Imperial Parliament has authorised, and the Canadian Parliament approved, should not be delayed by negotiations or correspondence with private or third parties, whose position, opinions, and claims have heretofore embarrassed both Governments in dealing with this question.
4. That in the opinion of the Canadian Government the terms of the Address cannot be materially altered or extended without causing injurious delay, and greatly embarrassing the people and Government of Canada in their efforts to open communication with the Territory, to encourage emigration and settlement, to establish law and order, and to provide for the speedy organisation of municipal and local governments therein.
5. That recent proposals in the Congress of the United States in reference to British America, the rapid advance of mining and agricultural settlements westward, and the avowed policy of the Washington Government to acquire territory from other Powers, by purchase or otherwise, admonish us that not a day is to be lost in determining and publishing to the world our policy in regard to these territories.
6. That your Excellency will be pleased to request his Grace to inform your Excellency by Atlantic cable (if the information can be so communicated) whether the Imperial Cabinet will at once advise Her Majesty to approve of the transfer on the terms of the Address, in order that the Canadian Government may be prepared to submit appropriate measures on the subject on the reassembling of Parliament in March next.

28 December 1867.

Respectfully submitted,
(signed) *Wm. M^c Dougall*.

Enclosure 2, in No. 2.

RESOLUTIONS for the Incorporation of Rupert's Land and the North-Western Territory with Canada. Encl. 2, in No. 2.

The Honourable Mr. *Fergusson Blair*, seconded by the Honourable Mr. *Campbell*.

1. THAT it would promote the prosperity of the Canadian people, and conduce to the advantage of the whole Empire, if the Dominion of Canada, constituted under the provisions of the British North America Act of 1867, were extended westward, to the shores of the Pacific Ocean.
2. That the colonisation of the fertile lands of the Saskatchewan, the Assiniboine, and the Red River districts, the development of the mineral wealth which abounds in the regions of the North-West, and the extension of commercial intercourse through the British Possessions in America from the Atlantic to the Pacific, are alike dependent upon the establishment of a stable government, for the maintenance of law and order in the North Western Territories.
3. That the welfare of a sparse and widely-scattered population of British subjects of European origin already inhabiting these remote and unorganised territories, would be materially enhanced, by the formation therein of political institutions bearing analogy, so far as circumstances would admit, to those which exist in the several Provinces of this Dominion.

4. That the 146th section of the British North America Act, of 1867, provides for the admission of Rupert's Land and the North Western Territory, or either of them, into Union with Canada, upon terms and conditions to be expressed on Address from the House of Parliament of this Dominion to Her Majesty, and which shall be approved of by the Queen in Council.

5. That it is accordingly expedient to address Her Majesty that she would be graciously pleased, by and with the advice of Her Most Honourable Privy Council, to unite Rupert's Land and the North Western Territory with the Dominion of Canada, and to grant to the Parliament of Canada authority to legislate for their future welfare and good government, and expressing the willingness of Canada to assume the duties and obligations of government and legislation.

6. That in the event of the Imperial Government agreeing to transfer to Canada the jurisdiction and control over this region, it would be expedient to provide that the legal rights of any corporation, company, or individual shall be respected and placed under the protection of courts of competent jurisdiction.

7. That upon the transference of the territories in question to the Canadian Government the claims of the Indian tribes to compensation for lands required for purposes of settlement, would be considered and settled in conformity with the equitable principles which have uniformly governed the Crown in its dealings with the aborigines.

8. *Resolved* also, That in case any negotiation between the Canadian Government and the Hudson's Bay Company, for the termination of the rights of the latter entered into in accordance with the Despatch of the 17th June 1865, from the then Secretary of State for the Colonies to his Excellency the Governor General, should result in an agreement between them, it is hereby declared that such agreement must be submitted to, and sanctioned by the Parliament of Canada before the same shall have any force or effect whatever.

— No. 3. —

TELEGRAM—(Received 10 September 1868.)

No. 3.
Governor General
Viscount Monck
to the Duke of
Buckingham,
9 September 1868.

From Governor General Viscount *Monck* to the Duke of *Buckingham*.

9 September 1868.

PRIVY Council wish to send a delegation to London to take part in treating with Hudson's Bay Company; they are anxious that negotiations with Company should be postponed till arrival of delegates in England. Please inform me, by cable, how soon you will be ready to receive them; they are prepared to go immediately.

— No. 4. —

TELEGRAM—(Received 14 September 1868.)

No. 4.
Governor General
Viscount Monck
to the Duke of
Buckingham.
14 Sept. 1868.

From Governor General Viscount *Monck* to the Duke of *Buckingham*.

14 September 1868.

I FIND now that, for reasons connected with the public service, delegates do not wish to leave Canada till first week in November. Will this suit you?

— No. 5. —

TELEGRAM—(Received 18 September 1868.)

No. 5.
Governor General
Viscount Monck
to the Duke of
Buckingham.
18 Sept. 1868.

From Governor General Viscount *Monck* to the Duke of *Buckingham*.

18 September 1868.

In consequence of your last message delegates will leave for England the 7th October.

— No. 6. —

TELEGRAM.—(Received 23 September 1868.)

From Governor General Viscount *Monck* to the Duke of *Buckingham*.

22 September 1868.

DELEGATES intend to sail from hence October 3rd; they trust nothing will be concluded before their arrival in England, where they will be due about the 13th.

No. 6.

Governor General
Viscount *Monck*
to the Duke of
Buckingham.
22 Sept. 1868.

— No. 7. —

(No. 182.)

COPY of a DESPATCH from Governor General Viscount *Monck* to His Grace the Duke of *Buckingham and Chandos*.

Quebec, Canada, 2 October 1868.

(Received, 21 October 1868.)

My Lord Duke,

I HAVE the honour to transmit two copies of approved Minutes of the Privy Council of Canada appointing the Honourable Sir George E. Cartier, Baronet, Minister of Militia and Defence, and the Honourable W. M'Dougall, C.B., Minister of Public Works, a delegation from that body, to take part in the negotiations now pending between Her Majesty's Government and the Hudson's Bay Company, with a view to the annexation of the territory now held by the Company to the Dominion of Canada.

I have, &c.
(signed) *Monck*.

No. 7.

Governor General
Viscount *Monck* to
his Grace the Duke
of Buckingham
and Chandos.
2 October 1868.

1 October 1868.
1 October 1868.

Enclosure 1, in No. 7.

COPY of a REPORT of a Committee of the Honourable the Privy Council, approved by his Excellency the Governor General on the 1st October 1868.

Encl. 1, in No. 7.

THE Committee have had under consideration a Memorandum, dated 30th September inst., from the Honourable Sir George E. Cartier, Bart., and the Honourable William M'Dougall, stating that they have received communication of the Minute in Council appointing them a delegation to England to arrange with the Imperial Government the terms upon which Canada may acquire Rupert's Land, and expressing their readiness to accept that mission.

They, however, bring under the notice of the Government the terms of the recent Act of the Imperial Parliament to enable Her Majesty "to accept a surrender upon terms of the lands, privileges, and rights" of the Hudson's Bay Company, which declares that "Rupert's Land," for the purposes of that Act, "shall include the whole of the lands and territories held or claimed to be held" by the Company.

They also call your Excellency's attention to the terms of the British North America Act, which provides for the admission of Rupert's Land and the North West Territory, or either of them, into the union; and they recommended that they be authorised to arrange with the Imperial Government for the admission of the North West Territory into union with Canada, either with or without Rupert's Land, as may be found practicable and expedient.

The Committee advise that the authority requested by the delegates be granted, and that a copy of this Minute, if approved by your Excellency, be transmitted to his Grace the Secretary of State for the Colonies.

(Certified.) *W. H. Lee*, Clerk Privy Council.

Enclosure 2, in No. 7.

encl. 2, in No. 7. COPY of a REPORT of a Committee of the Honourable the Privy Council, approved by his Excellency the Governor General on the 1st October 1868.

In view of the great importance of the immediate settlement of the Hudson's Bay question, and in consequence of the passage by the Imperial Parliament of the Act 31 & 32 Vict. c. 105, and in accordance with the Despatch of his Grace the Secretary of State, No. 173, and dated 8th August 1868, the Committee of Council advise that a delegation proceed to England composed, of the Honourable Sir G. E. Cartier and the Honourable William M'Dougall, for the purpose of arranging terms for the acquisition by Canada of Rupert's Land, such terms to be subject to the approbation of the Governor in Council.

(Certified.) *W. H. Lee*, Clerk Privy Council.

— No. 8. —

(No. 60.)

No. 8.
Right Hon. Sir
John Young, Bart.,
to Earl Granville,
K.G.
4 June 1869.

COPY of a DESPATCH from the Right Honourable Sir *John Young*, Bart., G.C. M.G., to the Earl *Granville*, K.G.

Ottawa, 4 June 1869.

(Received, 17 June 1869.)

My Lord,

AT the instance of the Ministers, I beg to forward the enclosed Humble Address to Her Majesty, and other documents, with regard to the Hudson's Bay Territory, which have been handed to me at the last moment before the departure of the mail.

2. The Ministers consider the matter one of great urgency. I have no time to make any comments on the subject, but the points of moment are stated in the accompanying Memorandum, to which I invite your Lordship's attention.

The Memorandum was drawn up by the Honourable A. Campbell, the Government leader in the Upper House.

I have, &c.
(signed) *John Young*.

Enclosure in No. 8.

(Translation.)

Enclosure in No. 8.

To the Queen's Most Excellent Majesty.

Most Gracious Sovereign,

WE, your Majesty's most dutiful and loyal subjects, the Senate and Commons of the Dominion of Canada, in Parliament assembled, humbly approach your Majesty for the purpose of representing,

That during the first Session of the first Parliament of this Dominion, we adopted an address to your Majesty, praying that your Majesty would be graciously pleased, by and with the advice of your Majesty's Most Honourable Privy Council, under the provisions of the 146th section of "The British North America Act, 1867," and on the terms specified in that Address, to unite Rupert's Land and the North-West Territory with this Dominion, and to grant to the Parliament of Canada authority to legislate for their future welfare and good government, and assuring your Majesty of the willingness of the Parliament of Canada to assume the duties and obligations of government and legislation as regards those territories.

That our joint Address was duly laid at the foot of the Throne; and that your Majesty, by Despatch from the Right Honourable the Secretary of State for the Colonies to the Governor General of Canada, under date of 23rd April 1868, signified your Majesty's willingness to comply with the prayer of the said Address, but that your Majesty was advised that the requisite powers of government and legislation could not consistently, with the existing Charter of the Hudson's Bay Company, be transferred to Canada, without an Act of Parliament, which Act was subsequently passed by the Imperial Parliament, and received your Majesty's Assent on the 31st July 1868.

That by a Despatch, dated 8th August 1868, from the Right Honourable the Secretary of State for the Colonies, the Governor General was informed, that in pursuance of the powers conferred by the Act for the surrender of the Hudson's Bay Territories to your Majesty, he proposed

proposed to enter into negotiations with the Company as to the terms of such surrender; whereupon, under authority of an order of the Governor General in Council of the 1st October 1868, the Honourable Sir George E. Cartier, Baronet, and the Honourable William M'Dougall, C.B., were appointed a delegation to England, to arrange the terms for the acquisition by Canada of Rupert's Land; and by another Order in Council of the same date, were authorised to arrange for the admission of the North West Territory into union with Canada, either with or without Rupert's Land, as might be found practicable and expedient.

That the delegates proceeded on their mission to England; and entered into negotiations with his Grace the Duke of Buckingham and Chandos, then Secretary of State for the Colonies; and afterwards with the Right Honourable Earl Granville, his successor in office, for the acquisition by Canada of the territorial and other rights claimed by the Hudson's Bay Company in Rupert's Land, and in any other part of British North America not comprised in Rupert's Land, Canada, or British Columbia. That terms of agreement were conditionally assented to by the delegates on behalf of the Dominion, and on their return to Canada were submitted, with a report, dated 8th May 1869, which was approved by his Excellency the Governor General in Council, on the 14th day of the same month.

That we humbly deem it expedient to accept the transfer of the territorial and other rights of the Hudson's Bay Company in Rupert's Land, and in any other part of British North America not comprised in Rupert's Land, Canada, or British Columbia, on the terms conditionally agreed to on behalf of the Government of Canada by the Honourable Sir George E. Cartier, Baronet, and the Honourable William M'Dougall, C.B.; and on behalf of the Hudson's Bay Company, by Sir Stafford H. Northcote, Governor of that Company, and approved by his Excellency in Council as aforesaid, which terms are set forth in a letter from Sir Frederic Rogers, under Secretary of State for the Colonies, of the 9th March 1869, communicated to the delegates by direction of Earl Granville; and in two subsequent Memorandums, dated respectively 22nd and 29th March 1869, containing a modification of such terms, and are in the words and figures following:

TERMS as stated in the LETTER from Sir Frederic Rogers, of 9th March 1869.

1. The Hudson's Bay Company to surrender to Her Majesty all the rights of government property, &c., in Rupert's Land, which are specified in 31 & 32 Vict. c. 105, s. 4; and also all similar rights in any other part of British North America, not comprised in Rupert's Land, Canada, or British Columbia.
2. Canada is to pay to the Company 300,000 *l.* when Rupert's Land is transferred to the Dominion of Canada.
3. The Company may, within 12 months of the surrender, select a block of land adjoining each of its stations, within the limits specified in Article 1.
4. The size of the blocks is not to exceed acres in the Red River Territory, nor 3,000 acres beyond that territory, and the aggregate extent of the blocks is not to exceed 50,000 acres.
5. So far as the configuration of the country admits, the blocks are to be in the shape of parallelograms, of which the length is not more than double the breadth.
6. The Hudson's Bay Company may for 50 years after the surrender, claim in any township or district within the Fertile Belt in which land is set out for settlement, grants of land not exceeding 1-20th part of the land so set out. The blocks so granted to be determined by lot, and the Hudson's Bay Company to pay a rateable share of the survey expenses, not exceeding an acre.
7. For the purpose of the present agreement, the Fertile Belt is to be bounded as follows: on the south by the United States boundary; on the west by the Rocky Mountains; on the north by the northern branch of the Saskatchewan; on the east by Lake Winnipeg, the Lake of the Woods, and the waters connecting them.
8. All titles to land up to the 8th March 1869, conferred by the Company, are to be confirmed.
9. The Company is to be at liberty to carry on its trade without hindrance in its corporate capacity, and no exceptional tax is to be placed on the Company's land, trade, or servants, nor any import duty on goods introduced by them previous to the surrender.
10. Canada is to take over the materials of the electric telegraph at cost price, such price including transport, but not including interest for money, and subject to a deduction for ascertained deteriorations.
11. The Company's claim to land under agreement of Messrs. Vankoughnet & Hopkins to be withdrawn.
12. The details of this arrangement, including the filling up the blanks in Articles 4 and 6, to be settled at once by mutual agreement.

MEMORANDUM.

DETAILS of AGREEMENT between the Delegates of the Government of the Dominion and the Directors of the Hudson's Bay Company.

1. It is understood that in surrendering to Her Majesty all the rights, &c. of the Company in any part of British North America not comprised in Rupert's Land, Canada, or British Columbia, the Company are to retain the posts they actually occupy in the North West Territory.

2. It is understood that it will be a sufficient act of selection under Article 3, that the Company should, within 12 months, name the number of acres which they will require adjoining each post. The actual survey to be proceeded with, with all convenient speed.

3. It is understood that in the Red River Settlement the size of the blocks to be retained round Upper Fort Garry shall not exceed (10) acres; and that round Lower Fort Garry shall not exceed (300) acres.

4. It is understood that a list of the stations round which the Company will require blocks of land, with the size of the blocks they will require, shall be made out forthwith, and communicated to the Canadian Ministers.

5. It is understood that Article 5 shall be construed to mean that the blocks shall front the river or road, by which means of access are provided, and shall be approximately in the form of parallelograms, of which the frontage shall not be more than half the depth.

6. It is understood that the Company may defer the exercise of their right of claiming their proportion of each township for not more than 10 years after it is set out, but their claim must be limited to an allotment from the lands remaining unsold at the time they declare their intention to make it.

7. It is understood that the blank in Article 6. shall be filled up with eight cents. (Canadian).

8. It is understood that any claims of Indians to compensation for lands required for purposes of settlement shall be disposed of by the Canadian Government in communication with the Imperial Government, and that the Company shall be relieved of all responsibility in respect of them.

Stafford H. Northcote.
G. E. Cartier.
W. McDougall.

22 March 1869.

MEMORANDUM of a further AGREEMENT between Sir Geo. E. Cartier and Sir Stafford Northcote.

INASMUCH as the northern branch of the Saskatchewan River is the northern boundary of the Fertile Belt, and therefore any land on the northern bank is not within the territory of which the Company are to have one-twentieth part, it is understood that in forming the townships abutting on the northern bank the Company shall be at liberty to take their one-twentieth of any such townships, giving up to the Canadian Dominion an equal quantity of the portion of lands coming to them of townships established on the southern bank.

It is understood that the townships on the northern bank shall not, for the above purpose, extend more than five miles inland from the river. It is understood that in laying out any public roads, canals, &c., through any block of land reserved to the Company, the Canadian Government may take, without compensation, such land as is necessary for the purpose, not exceeding one twenty-fifth of the total acreage of the block, but if the Canadian Government require any land which is actually under cultivation, or which has been built upon, or which is necessary for giving the Company's servants access to any river or lake, or as a frontage to any river or lake, they shall pay the Company the fair value of the same, and shall make compensation for any injury done to the company or their servants.

It is understood that the whole of the land to be appropriated within the meaning of the last preceding clause shall be appropriated for public purposes.

Geo. E. Cartier.
Stafford H. Northcote.

London, 29 March 1869.

That we learn with satisfaction, by letter from the Under Secretary of State for the Colonies of the 9th March last, that in fulfilment of the expectations held out in Mr. Cardwell's Despatch of 17th June 1865, your Majesty's Government will be prepared to propose to Parliament that the Imperial guarantee be given to a loan of 300,000 £, the amount which is proposed to be paid over by Canada on the transfer of the Company's rights.

That

That upon the transference of the territories in question to the Canadian Government it will be our duty to make adequate provision for the protection of the Indian tribes, whose interests and well-being are involved in the transfer; and we authorise and empower the Governor in Council to arrange any details that may be necessary to carry out the terms and conditions of the above agreement.

We therefore most humbly pray that your Majesty will be graciously pleased, by and with the advice of your most honourable Privy Council, under the 146th clause of "The British North America Act, 1867," and the provisions of the Imperial Act, 31 & 32 Vict. c. 105, to unite Rupert's Land on the terms and conditions expressed in the foregoing resolutions, and also to unite the North Western Territory with the Dominion of Canada, as prayed for by and on the terms and conditions contained in our joint address, adopted during the first Session of the first Parliament of this Dominion, and hereinbefore referred to.

The Senate,
Monday, 31st May 1869. }

(signed) *Joseph Cauchon,*
Speaker.

House of Commons,
Ottawa, 29th May 1869. }

(signed) *James Cockburn,*
Speaker.

MEMORANDUM by the Honourable *Alexander Campbell.*

1. To draw attention to the concluding paragraph of section 3, chapter 105, 31 & 32 Vict., which requires an Order in Council admitting the newly-acquired territory, under the name of Rupert's Land, into the Dominion of Canada within one month of the acceptance of the terms by Her Majesty.

2. To ask that the acceptance of the terms by the Government and Parliament of Canada be signified by the Secretary of State for the Colonies to the Hudson's Bay Company, as required by the resolution of the Company communicated to Sir Frederic Rogers in Sir Stafford Northcote's letter of the 10th of April 1869.

3. To move Her Majesty's Government to take steps during the present Session of Parliament to procure authority to give the guarantee of the Imperial Government for the sum to be paid by Canada to the company.

To His Excellency the Right Honourable Sir *John Young*, Bart., one of Her Majesty's Most Honourable Privy Council, Knight Grand Cross of the Most Honourable Order of the Bath, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Governor General of Canada, &c. &c. &c.

May it please your Excellency,

WE, Her Majesty's dutiful and loyal subjects, the Senate and Commons of the Dominion of Canada in Parliament assembled, beg leave to approach your Excellency with our respectful request that you will be pleased to transmit our joint address to Her Majesty, praying that Her Majesty will be graciously pleased by and with the advice of Her Most Honourable Privy Council under the 146th clause of "The British North America Act, 1867," and the provisions of the Imperial Act, 31 & 32 Vict. c. 105, to unite Rupert's Land on the terms and conditions expressed in the Resolutions on which the said Address is founded, and also to unite the North Western Territory with the Dominion of Canada, as prayed for, by and on the terms and conditions contained in the joint Address of the Senate and Commons of Canada, adopted during the first Session of the first Parliament of Canada, in such a way as to your Excellency may seem fit, in order that the same may be laid at the foot of the Throne.

The Senate,
Monday, 31st May 1869. }

(signed) *Joseph Cauchon,*
Speaker.

House of Commons,
Tuesday, 1st June 1869. }

(signed) *James Cockburn,*
Speaker.

— No. 9. —

TELEGRAM.—(Received 19 June 1869.)

From the Right Honourable Sir *John Young*, Bart., G.C.M.G., to the
Earl *Granville*, K.G., London.

PLEASE ask Hudson Bay authorities on behalf of Canadian Government for leave to survey lands for settlement before actual transfer, so as not to lose season. Explanation by post.

No. 9.
Right Hon. Sir
J. Young, Bart.,
to Earl *Granville*.
19 June 1869.

No. 10. —

(No. 73.)

No. 10.
Governor General
Sir J. Young, Bart.,
to Earl Granville,
K.G.

2 July 1869.

COPY of a DESPATCH from Governor General the Right Honourable Sir
John Young, Bart., G.C.M.G., to the Earl *Granville*, K.G.

Government House, Ottawa,
2 July 1869.

(Received, 14 July 1869.)

My Lord,

At the request of the Ministers, I have the honour to transmit, for your Lordship's information, copies of the messages sent by me to Parliament during last Session, conveying the reports and representations and correspondence of the Honourable Sir George E. Cartier, Bart., and the Honourable William M'Dougall, C.B., who were appointed delegates by the Canadian Government, to confer with Her Majesty's Government on a variety of subjects.

The stay of the delegates in England was extended over several months from autumn of last, to the spring of this year.

I have, &c.
(signed) *John Young*.

Enclosure in No. 10.

Enclosure in No. 10.

RUPERT'S LAND AND THE NORTH-WEST TERRITORY.

MESSAGE.

John Young,

THE Governor General transmits, for the consideration of the House of Commons, the Report of the Delegates appointed to negotiate for the acquisition of Rupert's Land and the North West Territory.

Government House, Ottawa,
17 May 1869.

COPY of a REPORT of a Committee of the Honourable the Privy Council, approved by
His Excellency the Governor General in Council, on 14th May 1869.

THE Committee have had under consideration the accompanying Report and Correspondence of the delegates appointed, by Orders in Council, of 1st October last, to proceed to England to negotiate the terms for the acquisition by Canada of Rupert's Land and the North West Territory, and they humbly advise that the said Report, and the terms agreed upon, as set forth in the said Report and Correspondence, be approved by your Excellency and submitted for the consideration and sanction of Parliament.

(Certified.)

the Hon. the Secretary of State,
&c. &c. &c.

Wm. H. Lee,
Clerk, P.C.

REPORT.

To His Excellency the Right Honourable Sir *John Young*, Bart., G.C.B., G.C.M.G.,
Governor General of Canada.

May it please your Excellency,

WE have the honour to submit for your Excellency's consideration the following report of our negotiations with Her Majesty's Imperial Government for the transfer to the Dominion of Canada of Rupert's Land and the North Western Territory.

Under the authority of an Order in Council of the 1st October 1868, we were appointed a delegation to England to arrange the "terms for the acquisition by Canada of Rupert's Land," and by another Order in Council of the same date, we were authorised to arrange "for the admission of the North West Territory into union with Canada, either with or without Rupert's Land, as may be found practicable and expedient." We proceeded at once to execute the important mission confided to us, and on presenting ourselves at the Colonial Office, were invited by his Grace the Duke of Buckingham and Chandos, then Secretary of State for the Colonies, to visit him at Stowe, for the purpose of discussing freely and fully the numerous and difficult questions which were involved in the transfer of these

these great territories to Canada. We found that his Grace had already made some progress in the preliminaries of a negotiation (under the Act 31 & 32 Viet. c. 105) with the Hudson's Bay Company for the surrender to Her Majesty of the territorial and political rights which they claimed in Rupert's Land. We objected very earnestly to some of the demands of the Company which were communicated to us by his Grace; but after much consideration and important modifications of the Company's demands, we agreed that if they would surrender the territory on the conditions which his Grace proposed, we would recommend the acceptance of these conditions by the Canadian Government.

The Duke of Buckingham's proposals will be found in the letter of Mr. Adderley, of the 1st December 1868, addressed to the Governor of the Hudson's Bay Company.

Considerable delay in the negotiations was occasioned by the retirement from office of the Duke of Buckingham and his colleagues, and also by the resignation of Lord Kimberley, the then Governor of the Company.

On the 18th January 1869, Earl Granville, who had acceded to office as Secretary of State for the Colonies, transmitted to us the reply of the Company, declining the proposals of the Duke of Buckingham. His Lordship subsequently requested us to communicate to him any observations which we might desire to offer upon this reply of the Company, and upon certain counter proposals which it contained. We felt reluctant, as representatives of Canada, to engage in a controversy with the Company concerning matters of fact, as well as questions of law and policy, while the negotiations with them was being carried on by the Imperial Government in its own name and of its own authority. But we did not feel at liberty to decline Lord Granville's request, and on the 8th of February, stated at length our views upon the various points raised in the letter of Sir Stafford Northcote, the new Governor of the Company, in answer to the proposals of the Duke of Buckingham. We beg to refer your Excellency to the correspondence, for full information as to the positions taken and the opinions expressed by us at this stage of the negotiation.

Lord Granville, being of opinion that the rejection by the Company of the proposals of his predecessor had terminated the negotiations instituted by him, submitted for our consideration proposals of his own, based on a different principle from that which had been laid down by the Duke of Buckingham.

We felt it our duty to state to his Lordship, that these proposals would not be acceptable to the Canadian Government. They were subsequently modified, and in the form in which they appear in the letter of Sir Frederic Rogers of the 9th March, were conditionally accepted by us, subject to the approval of your Excellency in Council.

Certain details were left by Lord Granville to be settled between the representatives of the Company and ourselves, which led to interviews and discussions with them, and to a correspondence which is also submitted herewith.

During the progress of the negotiations, a formal complaint was made to the Colonial Secretary by the representatives of the Company against the Canadian Government for undertaking the construction of a road between Lake of the Woods and the Red River Settlement, without having first obtained the consent of the Company. The letter conveying this complaint was referred to us by Earl Granville for such explanations as we were able to offer. The correspondence on this subject is also respectfully submitted.

Your Excellency is aware that since our return to Canada, the Hudson's Bay Company have signified to Lord Granville their acceptance of the terms proposed by him for the surrender to Her Majesty of their territorial rights in Rupert's Land. We have, therefore, the honour to submit the same, with a memorandum of the "details" agreed to by us on behalf of the Canadian Government, for the approval of your Excellency, and for such action thereupon as your Excellency may be advised to take.

All of which is respectfully submitted.

Ottawa, 8 May 1869.

(signed) *Geo. E. Cartier.*
Wm. M. Dougall.

DESPATCHES FROM THE SECRETARY OF STATE.

— No. 1. —

(No. 16.)

No. 1.

His Grace the
Duke of Bucking-
ham and Chandos
to Governor Ge-
neral Viscount
Monck.

18 January 1868.
* Page 1.

† Page 2.

COPY of a DESPATCH from His Grace the Duke of *Buckingham and Chandos* to Governor General Viscount *Monck*.

My Lord,

Downing-street, 18 January 1868.

I HAVE received your Despatch, No. 107,* of the 21st of December, accompanied by an Address to Her Majesty from both Houses of the Canadian Parliament, proposing the annexation of Prince Rupert's Land and the North West Territory to the Dominion of Canada. I have also received your Lordship's subsequent Despatch, No. 1,† of the 1st of January, enclosing Resolutions adopted by the two Houses, on the same subject, and an approved Minute of the Privy Council.

These proceedings will receive the early and serious attention of Her Majesty's Confidential Advisers.

The decision of Her Majesty's Government will be communicated as early as possible, but the consideration by them of so important a subject will necessarily occupy a short time.

I have, &c.

(signed) *Buckingham and Chandos.*

— No. 2. —

(No. 76.)

No. 2.

His Grace the
Duke of Bucking-
ham and Chandos
to Governor Ge-
neral Viscount
Monck.

23 April 1868.

† Page 1.

COPY of a DESPATCH from His Grace the Duke of *Buckingham and Chandos* to Governor General Viscount *Monck*.

My Lord,

Downing-street, 23 April 1868.

I HAVE already acknowledged, on the 18th of January, your Lordship's Despatch, No. 107,‡ of the 21st of December, transmitting a joint Address from the Senate and House of Commons of Canada, to Her Majesty, praying the annexation to Canada of Rupert's Land and the North West Territory. Your Lordship will have the goodness to inform the Senate and House of Commons that their Address has been duly laid before the Queen.

Her Majesty's Government will be willing to recommend a compliance with the prayer of the Address so soon as they shall be empowered to do so with a just regard to the rights and interests of Her Majesty's subjects interested in those territories. They are advised, however, that the requisite powers of Government and legislation cannot, consistently with the existing Charter of the Hudson's Bay Company, be transferred to Canada without an Act of Parliament. Before such an Act can be obtained, it is necessary to consider the position of the Hudson's Bay Company.

The Company have held their Charter, and exercised privileges conferred by it, for 200 years, including rights of government and legislation, together with the property of all the lands and precious metals; and various eminent law officers, consulted in succession, have all declared that the validity of this Charter cannot justly be disputed by the Crown.

I have, on behalf of Her Majesty's Government, called upon the Company to state the terms on which they would be prepared to surrender to the Crown whatever rights they have over the lands and precious metals, including the rights of government, with the intimation that no present payment in money will be made to them, but that in the transference of their rights to Canada they might have a reservation made to them of defined portions of land, and of a share

a share of the future proceeds of the lands and precious metals of the territory, up to a certain fixed amount.

I enclose copies of the letters which have passed, up to the present time, between the Company and this Department, upon this subject.

I purpose to introduce a Bill into the Imperial Parliament, with the view of authorising any arrangement which may be effected on the basis thus indicated; of defining the territory over which it extends, and authorising the subsequent transfer to the Canadian Government of the rights and powers to be acquired by the Crown in respect to Government and property, in accordance with the prayer of the Address.

With respect to the North West Territory, the same obstacles do not exist to the transfer of the greater part by the Crown to Canada at the present time, subject to proper reservations of the rights and property of Her Majesty's subjects now settled therein, and for the protection of Her Majesty's Native subjects; but I apprehend that while it remains separated from Canada by the Hudson's Bay Company's territory, still under the Company's government, it will not be the desire of Canada to undertake the government of this more remote country. A portion of the North West Territory immediately adjacent to British Columbia, I am of opinion that it will be necessary for the public advantage to retain in the possession of the Crown, with a view to its incorporation with British Columbia.

I have, &c.
(signed) *Buckingham and Chandos.*

— No. 3. —

(No. 173.)

COPY of a DESPATCH from His Grace the Duke of *Buckingham and Chandos* to Governor General Viscount *Monck*.

My Lord, Downing-street, 8 August 1868.
I HAVE the honour to transmit to you, for your Lordship's information, the enclosed copy of an Act* of Parliament conferring powers for the surrender to Her Majesty, by the Hudson's Bay Company, of their territories and privileges.

In pursuance of the powers conferred by this Act, I propose to enter into negotiations with the Hudson's Bay Company as to the terms on which they will surrender their rights, and shall not fail to keep your Lordship informed of the course of such negotiations.

I have, &c.
(signed) *Buckingham and Chandos.*

— No. 4. —

TELEGRAM from His Grace the Duke of *Buckingham and Chandos* to Viscount *Monck*.

17 September 1868.
I SHOULD have preferred an earlier date. I cannot defer negotiations with Hudson's Bay Company, but probably the settlement of terms will occupy some time.

*Hudson's Bay Com-
pany, 15 Jan. 1868,
page 16.*

*Hudson's Bay Com-
pany, 25 Jan. 1868,
page 17.*

*Colonial Office,
18 Jan. 1868, page 17.*

*Colonial Office,
23 April 1868, page 22.*

No. 3.

His Grace the
Duke of Bucking-
ham and Chandos
to Governor
General Viscount
Monck.

8 August 1868.

* Imperial Act,
31 & 32 Vict.
c. 105.
Clause 146 of this
Act is printed as
Appendix I., p. 65.

No. 4.

His Grace the
Duke of Bucking-
ham and Chandos
to Viscount
Monck.

17 Sept. 1868.

- No. 5. -

(No. 64.)

No. 5.
Earl Granville,
K.G., to the Right
Hon. Sir John
Young, Bart.
10 April 1869.

COPY of a DESPATCH from the Earl *Granville*, K.G., to the Right Honourable
Sir *John Young*, Bart., G.C.M.G.

Sir,

Downing-street, 10 April 1869.

THE proprietors of the Hudson's Bay Company have considered, at a special meeting, the terms on which they have been invited to transfer their territorial rights to the Dominion of Canada, and I enclose the copy of a letter addressed to me by Sir S. Northcote, from which you will perceive that these terms have been acceded to.

Hudson's Bay Com-
pany, 10 April 1869,
page 47.

You will observe that the Governor and Committee of the Company are authorised to concur in all such measures as may be found necessary for effecting this transfer, and for securing to the Company all the rights and reservations to which they will be entitled, provided that the acceptance of the terms by the Government and Parliament of Canada is duly signified to them within six months.

I trust that this acceptance may be confidently anticipated, and that by it an opening will be made for extending the benefits of a regular Government to those British subjects who at present occupy the Company's territory, for settling the tracts of fertile land which lie in the centre of the Continent, and for the consolidation of British North America under one Central Government.

On one point, which has not been hitherto touched upon, I am anxious to express to you the expectations of Her Majesty's Government. They believe that whatever may have been the policy of the Company, and the effect of their chartered right upon the progress of settlement, the Indian tribes, who form the existing population of this part of America, have profited by the Company's rule. They have been protected from some of the vices of civilisation; they have been taught, to some appreciable extent, to respect the laws and rely on the justice of the white man, and they do not appear to have suffered from any causes of extinction beyond those which are inseparable from their habits and their climate. I am sure that your Government will not forget the care which is due to those who must soon be exposed to new dangers, and, in the course of settlement, be dispossessed of the lands which they are used to enjoy as their own, or be confined within unwontedly narrow limits.

This question had not escaped my notice while framing the proposals which I laid before the Canadian Delegates and the Governor of the Hudson's Bay Company. I did not, however, then allude to it, because I felt the difficulty of insisting on any definite conditions without the possibility of foreseeing the circumstances under which these conditions would be applied, and because it appeared to me wiser and more expedient to rely on the sense of duty and responsibility belonging to the Government and people of such a country as Canada. That Government, I believe, has never sought to evade its obligations to those whose uncertain rights and rude means of living are contracted by the advance of civilised man. I am sure that they will not do so in the present case, but that the old inhabitants of the country will be treated with such forethought and consideration as may preserve them from the dangers of the approaching change, and satisfy them of the friendly interest which their new governors feel in their welfare.

With the expression of this hope, I will close my Despatch, merely repeating my sincere desire that the annexation of this great territory may be speedily accomplished, and may bring to the Dominion all the advantages which the statesmen of Canada not unreasonably anticipate.

I have, &c.
(signed) *Granville*.

— No. 6. —

(No. 122.)

COPY of a DESPATCH from the Earl *Granville*, K.G., to the Right Honourable
Sir *John Young*, Bart., G.C.M.G.

No. 6.

Earl *Granville*,
K.G., to the Right
Hon. Sir *John*
Young, Bart.
25 June 1869.

Sir,

Downing-street, 25 June 1869.

WITH reference to your telegram of the 19th instant,* I have to inform you
that the Governor of the Hudson's Bay Company, to whom I forwarded a copy
of it, has stated that the Company have no objection to offer to the immediate
commencement of the survey of lands for settlement.

* Page 9.

I have, &c.
(signed) *Granville*.

— No. 7. —

(No. 157.)

COPY of a DESPATCH from the Earl *Granville*, K.G., to the Right Honourable
Sir *J. Young*, Bart., G.C.M.G.

No. 7.

Earl *Granville*,
K.G., to the Right
Hon. Sir *J. Young*,
Bart., G.C.M.G.
10 August 1869.

Sir,

Downing-street, 10 August 1869.

I SENT on the 10th instant, at 5.50 p.m., a telegraphic Despatch to you in
the following words:—

"Canada (Rupert's Land) Loan Bill passed to-day. Copy shall be sent.
Acquaint Mr. Rose."

I have, &c.
(signed) *Granville*.

Correspondence between the Hudson's Bay Company and the Colonial Office.

— No 1. —

No. 1.

Right Hon. Sir E.
Head, Bart., K.C.B.,
to His Grace the
Duke of Buck-
ingham and Chan-
dos.

15 Jan. 1868.

COPY of a LETTER from the Right Hon. Sir *E. Head*, Bart., K.C.B., to His
Grace the Duke of *Buckingham and Chandos*.

Hudson's Bay House, London,
15 January 1868.

My Lord Duke,

IN addressing this letter to your Grace on behalf of the Committee of the Hudson's Bay Company, I think that some apology is necessary for anticipating the official communication from the Colonial Office, of the resolutions passed in the Parliament of Canada, as well as the Address to be founded upon them; but as from the tone of the debate in the Canadian Parliament, and from the terms of the resolutions passed there, it is manifestly the object of that Parliament to have the power to establish in the Dominion of Canada, including the territory of Rupert's Land, courts which shall have jurisdiction in all matters arising in any part of British North America; and thus to give power to the tribunals so constituted, to determine upon the rights claimed by this Company under their Charter, a course of proceeding which this Committee consider to be so injurious to the interests of the Hudson's Bay Company, they are desirous to bring the matter before your Grace, and to submit their views upon the subject to Her Majesty's Government, before any assent is given, or determination come to, in reference to Her Majesty's approval of the proposed admission of Rupert's Land into the Union of British North America.

I beg to remind your Grace that the rights of this Company under their Charter have at various times been brought under the consideration of the Government, and that the result of those discussions has been a clear and distinct recognition, on the part of the Crown, that the general validity of the Charter cannot now be called in question, and in particular that the territorial ownership of the lands granted by the Charter, and the rights necessarily incidental thereto, must now be considered as valid.

It is true that questions have from time to time been raised in Canada as to the extent of the territory claimed by this Company under their Charter, and in some respects as to other rights which the Charter confers; but while Her Majesty's Government have at all times declined to be any party to proceedings on the subject, the opportunity has always been afforded to the authorities of Canada to bring any questions for adjudication before Her Majesty in Council — a course to which this Company have always been prepared to accede, and which appears to be the only legitimate mode of deciding their rights, if they are to be called in question.

The Canadians have altogether abstained from availing themselves of the opportunity thus afforded them, but it is now obviously the object of the Canadian Legislature to secure to tribunals of their own nomination the decision of those rights.

I may here state that, so far as the mere political powers granted by the Charter are concerned, such as the rights of government, taxation, or exclusive administration of justice, the Company have long since expressed their willingness that these powers should be vested in officers deriving their authority directly from the Crown; but before any such powers can with justice be transferred to the Colonial Government, I submit that the extent of the territorial rights of the Company should either be fully recognised, or that if the Canadian Government are desirous of procuring those rights for the benefit of Canada in general, they should, in the first instance, arrange with the Hudson's Bay Company the terms upon which they should be so acquired.

But should the Canadian Legislature still desire that any judicial investigation into the territorial rights of the Company should take place, such inquiry should

be referred to the Judicial Committee of the Privy Council, in accordance with the opinion of the Law Officers of the Crown, given so long ago as July 1857, as the only tribunal to which ought to be delegated the construction of a Charter emanating from the Sovereign of Great Britain. This opinion your Grace will find at page 404 of the Report from the Select Committee on the Hudson's Bay Company, ordered, by the House of Commons, to be printed the 31st July and 11th August 1857.

I have, &c.
(signed) *Edmund Head*, Governor.

— No. 2. —

COPY of a LETTER from *T. Frederick Elliot*, Esq., to the Right Hon. Sir *E. Head*, Bart., K.C.B.

No. 2.
T. F. Elliot,
Esq., to the Right
Hon. Sir *E. Head*,
Bart., K.C.B.
18 January 1868.

Sir,
Downing-street, 18 January 1868.
I AM directed by the Duke of Buckingham and Chandos to transmit to you, for the information of the Committee of the Hudson's Bay Company, a copy of a Despatch which has been received from the Governor General of Canada, accompanied by a copy of the Address to Her Majesty from the Senate and Commons of Canada, praying that steps may be taken for uniting Rupert's Land and the North West Territory with the Dominion of Canada.

No. 107, 21 Dec.
1867, page 1.

I have, &c.
(signed) *T. Frederick Elliot*.

— No. 3. —

COPY of a LETTER from *T. Frederick Elliot*, Esq., to the Right Hon. Sir *E. Head*, Bart., K.C.B.

No. 3.
T. F. Elliot, Esq.,
to the Right Hon.
Sir *E. Head*, Bart.
K.C.B.
18 January 1868.
* Page 16.

Sir,
Downing-street, 18 January 1868.
I AM directed by the Duke of Buckingham and Chandos to acknowledge the receipt of your letter of the 15th instant,* relative to the proceedings of the Canadian Parliament on the subject of the Hudson's Bay Company. I am desired to state that the subject of this letter will not fail to receive the careful consideration of Her Majesty's Government.

I have, &c.
(signed) *T. Frederick Elliot*.

— No. 4. —

COPY of a LETTER from the Right Honourable Sir *E. Head*, Bart., K.C.B., to His Grace the Duke of *Buckingham and Chandos*.

No. 4.
Right Hon. Sir
E. Head, Bart.,
K.C.B., to His
Grace the Duke
of *Buckingham*
and *Chandos*.
25 January 1868.

My Lord Duke,
Hudson's Bay House, London,
25 January 1868.
I HAVE the honour to acknowledge Mr. Elliot's Letter, of the 18th instant, enclosing a copy of Address to the Queen, forwarded by the Governor General of Canada, and to thank your Grace for communicating these papers to the Hudson's Bay Company.

On this Address I beg to request your Grace's attention to the following observations on behalf of myself as Governor, and the Committee of the Company.

1. It seems necessary, in the first place, to distinguish the two classes of
440. C rights

rights conferred on the Company by the Charter. Some of these are, no doubt, of a public or political character, such as belong to a proprietary Government; but others are practically of a private nature, such as might have been vested in any individual subject, or any private corporation, clothed with no public functions of any kind. Of these latter, it is only necessary at present to refer to the right of private property in the soil, and in the mines and minerals.

Report of 1857,
Appendix, p. 404,
paragraph 2.

2. It may be that the public or political rights of the Company, are, in the Charter, ill-defined, and of doubtful expediency at any time. It may be, too, as the Law Officers in their letter of 1857 appear to hint, that for any effectual exercise they require the aid of the right of private property, as vested in the Company by the same instrument.

3. The Committee need scarcely remind your Grace that so far from opposing a resumption by the Crown of the political powers of the Company, almost the first important step taken by them in 1863, was the adoption of the following resolution:—

Sir E. Head to Sir
F. Rogers, 28 Aug.
1863.

“Resolved, that the time has come when, in the opinion of this Committee, it is expedient that the authority, executive and judicial, over the Red River Settlement, and the south-western portion of Rupert's Land, should be vested in officers deriving such authority directly from the Crown, and exercising it in the name of Her Majesty.

“That the Governor be empowered to communicate this Resolution to his Grace the Duke of Newcastle, and to discuss the subject with him, or with the Under Secretary of State for the Colonies; reporting from time to time to this Committee thereon.”

Mr. C. Fortescue
to Sir E. Head,
11 March 1864.

4. In the correspondence which ensued with the Colonial Office, it appears to be implied on the part of his Grace the Duke of Newcastle, that the fact of the right of private property in the soil being no longer possessed by the Crown, was one of the chief obstacles to a compliance with the suggestion made in the above Resolution. If this be so, the very fact of making this objection involves an admission in favour of the Company. Most assuredly, if the Crown had alienated its right of property in the soil and minerals of the Hudson's Bay Territory, it had granted it to no other party than the Hudson's Bay Company, and by no instrument other than the Charter of Charles II.

Page 68 of this
Paper.

5. In Mr. Fortescue's letter of 11th March 1864, an offer of a contingent money payment, as the consideration for the cession of the territorial rights of the Company, was distinctly made by the Secretary of State. The proviso inserted in the postscript to that letter will be adverted to afterwards, and had reference only to the supposed rights of Canada.

See post, para-
graph 9.

6. It is unnecessary for the Committee to refer to the undisputed enjoyment of these rights, at any rate since the time of the Treaty of Utrecht.

Letter of the Law
Officers to Mr.
Merivale, Appen-
dix to Report,
1857, p. 404, last
paragraph.

7. In addition to all this, it remains to quote the express words of the Law Officers, in their letter of 1857, already referred to. They say, “In our opinion the Crown could not now, with justice, raise the question of the general validity of the Charter; but that on every legal principle the Company's territorial ownership of the lands granted, and the rights necessarily incidental thereto, ought to be deemed to be valid.”

Moreover, in a passage alluded to above, the Law Officers imply indirectly their belief in the validity of this right of private property, when they say that “rights of Government, taxation, exclusive administration of justice, or exclusive trade, otherwise than as a consequence of the right of ownership of the land, could not legally be insisted on by the Company.” What other opinions of the Law Officers of the Crown may be found in the records of the Colonial Office it is not for us to say, but the evidence given by the Right Honourable Edward Ellice before the Committee of 1857, as to the opinions taken by him both for and against the Company, is well worth referring to.

Answers to Qu es-
tions 5823.

8. One other point is a mere technicality, no doubt, but it may be worth observing that the title of the Company to their land is an English title, since it is granted “to be holden as of the manor of East Greenwich, in our county of Kent, in free and common soccage.”

9. The Committee do not intend to impute to the Parliament or the Ministry
of

of Canada, any deliberate intention of violating such rights of the Hudson's Bay Company as they admit to exist, but it must be remembered that a theory has been started, and is referred to in the debate on this Address, by which the admissions of the English Government, and the opinion of the English Law Officers, as to the right of ownership in the soil, are directly negatived. It has been supposed, we believe, that France was in possession of these territories, or a large portion of them, when the Charter was granted; that they were therefore within the exception which that Charter contains with regard to territories belonging to any other Christian prince; and that this French title remained good, and was transferred to the English Crown, with Canada, at the final cession of that Province by France.

See postscript to letter, Mr. Fortescue to Sir E. Head, 11 March 1864, and letter, 5 April 1864.

10. This is not the place for entering on a discussion of the facts and law involved in this argument—an argument, as we have said, inconsistent with the continued recognition of the Company's rights in various ways by the English Government, and their legal advisers, for a long series of years; but if this objection to the Company's title shall be presented in a tangible form before a proper tribunal, the Hudson's Bay Company will be quite ready to meet it, and demonstrate its futility.

Pages 68 and 72 of this Paper.

11. The very existence, however, of such a theory in the minds of the Canadian Ministers, or the Canadian people, is a sufficient reason why, in justice to the Company, it should be set aside, or its truth or falsehood should be conclusively tested, before their rights of property, under the Great Seal of England, and, in fact, their future existence, are placed under the legislation and the absolute control of Canada.

12. The Committee cannot but feel that the Company has already had great reason to complain of the course pursued during the last few years. In 1865 the Canadian delegates sent to this country to promote the scheme of confederation solemnly "undertook" with Mr. Cardwell to negotiate with the Hudson's Bay Company. The answer given by the Committee was, that they would be ready to consider any proposal. The fact of this undertaking was recited again in a subsequent letter as a reason why no other step should be taken. No negotiation, however, was opened, and in 1866 the Canadian Council resolved that such negotiation must devolve on the Government of the confederation when constituted, rather than on the Government of Canada. This was confirmed by the resolutions of the delegates in England of 3rd April 1867. After all, when the Confederation is formed, and its Parliament has met, resolutions are passed, and an Address to the Queen is adopted, praying that the powers of legislation and Government over the Hudson's Bay Territory, and the North Western Territory, may be conveyed to Canada first, and that the judicial decisions or negotiations as to the Company's rights should take place afterwards.

*Despatch of Mr. Cardwell to Lord Monck, 17 June 1865.
Letter of Mr. Forster to Sir E. Head, 20 February 1866.
Minute, 22 June 1866.
Letter from Sir F. Rogers to Sir E. Head, 31 July 1866.
Mr. Elliot to Sir E. Head, 16 April 1867.*

13. We desire in the first place to remark, that this inversion of the order of proceeding is entirely contrary to the expectation raised by the acts of the delegates, and by the communications from the Colonial Office to us. We may have erred in thinking so, but certainly we conceived that the negotiations, which the delegates in 1865 undertook to initiate, were intended under the Act of last Session to form the preliminary step for transferring the supreme control to Canada—not to follow after such transfer, with all the disadvantages to the Company which must thus ensue from the change of the relative position of the parties. It would appear, too, from a passage in a speech of the Honourable Mr. Holt in the Canadian Parliament, as reported in the "Canadian News," as per extract herewith, that the Committee were not the only parties who supposed this to be the intention of Government.

Extract, No. 1, enclosed.

The Committee moreover thought that it was expressly in anticipation of this original undertaking to negotiate being thus carried out, that the Secretary of State for the Colonies intimated his wish in the following terms, that the Company should abstain from any other arrangements likely to interfere with the views then entertained.

"It is of course for the Hudson's Bay Company to consider for themselves what course is most proper and conducive to their own interests. But it appears to Lord Carnarvon that any effective negotiation being for the moment impossible, it is for the interest of both parties that the question should remain open for arrangement so soon as an authority exists capable of dealing with it on the

Mr. Elliot to Sir E. Head, 23 Jan. 1867.

Page 76 of this Paper.

part of the Colony or Colonies interested. He would therefore regret to learn that the Company contemplate any immediate action which was calculated to embarrass the negotiations, which would then become possible, and which in the opinion of the executive council it would be the duty of the Confederate Government to open.

30 & 31 Vict. c. 3,
s. 146.

14. The Committee felt no anxiety respecting the wide powers of transfer conferred on the Crown by the Act of last Session, because they did not believe that their rights of ownership in the soil and minerals could be affected by it; and because after the undertaking to negotiate formally communicated to them, and the correspondence relating to it, they relied, as they continue to rely, on the honour and good faith of the English Government.

15. But the case assumes a very different aspect, if the plan of giving to the Canadian Parliament and Government legislative and administrative control over these territories, without defining and providing for the rights and interests of the Company as a condition precedent, should be carried out. So far as we now see, no security of any kind would exist against such a use of this control in taxation and other matters as might be thought best fitted for compelling the Company to accept any terms, however disadvantageous. No specific guarantee, it seems, is proposed to be given as to the legislation which might take place before these claims were finally disposed of, or as to the impartiality and competency of the courts before which the Company, if aggrieved, would have to seek redress. At any rate the relative position of the two parties to any such suit or discussion respecting these rights would, after the transfer of the legislative and administrative control, be one which must leave the Company, as defendant, more or less at the mercy of the plaintiff, and would, to say the least, taint the voluntary character of any agreement to be subsequently arrived at. The only reliance of the Company would be on the honesty and the considerate disinterestedness of the Canadian Parliament and people.

Extract from "Canadian News"
(enclosed), 2.

The Committee, moreover, venture to think that their apprehensions on this score are reasonably increased, rather than diminished, by all that is reported to have passed in the debates, and especially by the extract of the accompanying report of the speech of Sir John A. Macdonald, K.C.B., the Canadian Premier. The report is taken from the "Canadian News." It is probably condensed, and as a matter of course it may be more or less inaccurate.

30 & 31 Vict.
c. 3, s. 146.

16. The Act of last Session provides that the incorporation of Rupert's Land and the North Western Territory with Canada may be made by the Queen "on such terms and conditions in each case as are in the Addresses expressed, and as the Queen thinks fit to approve, subject to the provisions of this Act; and the provisions of any Order in Council in that behalf shall have effect as if they had been enacted by the Parliament of the United Kingdom of Great Britain and Ireland."

Now, looking to the previous correspondence between the Hudson's Bay Company and the Colonial Office, it is not unreasonable to suppose that so far as regards the territory of the Company, the Act contemplated the insertion of certain terms and conditions in any Address relating to the transfer of such territory.

But the Address, a copy of which your Grace has had the goodness to transmit to us, contains no "terms and conditions" whatever, except a vague assurance "that the Parliament of Canada will be ready to provide that the legal rights of any corporation, company, or individual within the same shall be respected, and placed under the protection of courts of competent jurisdiction."

Such an assurance is of little value when the party making it disputes the very existence of the rights in question, and at any rate it amounts to no more than a statement, that British subjects on British soil shall be entitled to the protection of a court of law of some kind, hereafter to be established by the act of one of the parties.

It might be presumed that redress before a competent tribunal would be the right of any one who was wronged; and such an assurance can hardly be deemed a "term" or "condition" of the kind, which the Statute intended to be set out specifically in the Address from the Legislature.

17. The Committee trust it may not for one moment be supposed that they arrogate to themselves any right, or entertain the smallest desire to impede,

or even comment on the general policy of transferring the government of the North Western Territory, and of the Hudson's Bay territory, to the Confederate Government of Canada. In this, as in everything else, they would bow with submission to the authority of the Crown, and rejoice in any measure which was really calculated to strengthen loyalty, and promote union in British North America.

18. What is asked for as a matter of justice to a proprietary, consisting of upwards of 1,700 shareholders, who have paid a very large sum on the faith of our Charter, and of the protection of their rights of property in the soil by English law, is the adoption by Her Majesty's Government of one of the following alternatives:—

1st. That some conclusive agreement as to the extent, value, and compensation to be made for the claims of the Company, as owners of the soil and minerals of the Hudson's Bay Territory, and some arrangement by which burthens assumed by them in their political capacity, such as the endowment of the bishopric, may, when that capacity ceases, be transferred to others, should be completed before, not after, the transfer of the government of the North Western Territory, or Hudson's Bay Territory to Canada.

2nd. That before any incorporation of Rupert's Land, or the North Western Territory with Canada, the rights of private property vested in the Company, and the exact limits of such rights, should be ascertained, acknowledged, and efficiently protected by law, in a manner binding on any Colonial Government, so that they should not be at any time hereafter impeached or violated without proper compensation.

I have, &c.
(signed) *Edmund Head*, Governor.

Enclosure 1, in No. 4.

EXTRACT from a SPEECH of the Honourable Mr. *Holton*, in the Canadian Parliament, as Encl. 1, in No. 4. reported in the "Canadian News," 2nd January 1868, page 7.

"It struck him, too, that what was in contemplation in the Union Act was, that the Address to Her Majesty should follow the negotiations, and that the Address should set forth, clearly and distinctly, the terms on which we were prepared to unite that territory with Canada."

Enclosure 2, in No. 4.

EXTRACT from a SPEECH of Sir *John A. Macdonald*, K.C.B., in the Canadian Parliament, Encl. 2, in No. 4. reported as above.

"It had been said, by the Member for West Durham, that this was a worse proposition than the proposition of 1865. It was precisely the same; it was simply that we wished to take possession of this territory, and would undertake to legislate for it and to govern it, leaving the Hudson's Bay Company no right except the right of asserting their title in the best way they could in courts of competent jurisdiction. And what would their title be worth the moment it was known that the country belonged to Canada, and that the Canadian Government and Canadian Courts had jurisdiction there, and that the chief protection of the Hudson's Bay Company, and the value of their property, namely, their exclusive right of trading in those regions, were gone for ever? The Company would only be too glad that the country should be handed over to Canada, and would be ready to enter into any reasonable arrangement.

"The value of the Company's interest would be determined by the value of their stock; and what would that be worth when the whole country belonged to Canada?"

— No. 5. —

No. 5.
Right Hon.
C. B. Adderley,
M.P., to Sir C.
Lampson, Bart.
23 April 1868.

COPY of a LETTER from the Right Honourable *C. B. Adderley*, M.P., to
Sir Curtis Lampson, Bart.

Sir,

Downing-street, 23 April 1868.

I AM directed by the Duke of Buckingham and Chandos to acquaint you that he has had under his consideration the Address from the Parliament of Canada to Her Majesty, praying that Rupert's Land and the North West Territory may be united with the Dominion of Canada, and placed under the authority of the Canadian Parliament, and the letter from the Governor of the Hudson's Bay Company, dated the 25th January,* on that subject.

Her Majesty's Government think that it will be right to comply, under proper conditions, with the wish expressed by the Parliament of Canada, and they propose to introduce a Bill for the purpose into the Imperial Parliament. They desire, however, to pay due regard to the interests of Her Majesty's subjects already concerned in the territory; and with that view they will be prepared to make provision for any reasonable terms which may be agreed upon with the Hudson's Bay Company.

I am desired to call your attention to the negotiations which took place in 1864, between the Secretary of State and the Company, as recorded in the correspondence referred to in the margin, and I am to request that you will state what are the terms which the Company would be prepared to accept, proceeding on the principles then adopted, namely, that the compensation should be derived from the future proceeds of the lands, and of any gold which may be discovered in Rupert's Land, coupled with reservations of defined portions of land to the Company.

I am, &c.

(signed) *C. B. Adderley*.

Colonial Office :
11 March 1864.
5 April "
6 June "
Hudson's Bay Com-
pany :
13 April 1864.
7 Dec. "
This Correspondence
is printed as Appen-
dix III.

— No. 6. —

No. 6.
Earl of Kimberley
to the Right Hon.
C. B. Adderley,
M.P.
24 April 1868.

COPY of a LETTER from the Earl of *Kimberley* to the Right Honourable
C. B. Adderley, M.P.

Sir,

Hudson's Bay House, London,
24 April 1868.

I HAVE the honour to acknowledge the receipt of your letter of the 23rd instant, addressed to the Deputy Governor of the Hudson's Bay Company, and to inform you that the subject-matter of this communication will be taken into consideration by the Committee, and a reply made thereto at an early date.

I take this opportunity to inform you, that I have this day been elected Governor of the Company, in the room of the late Sir Edmund Head, Bart.

I am, &c.

(signed) *Kimberley*.

— No. 7. —

No. 7.
The Earl of
Kimberley to the
Right Hon. C. B.
Adderley, M.P.
13 May 1868.

COPY of a LETTER from the Earl of *Kimberley* to the Right Honourable
C. B. Adderley, M.P.

Sir,

Hudson's Bay House, London,
13 May 1868.

Your letter of the 23rd ultimo, which I have already had the honour to acknowledge, has been carefully considered by the Committee of the Hudson's Bay Company, and I am authorised by the Committee to make the following reply.

The

The Committee wish in the first place to express the satisfaction with which they have learnt that Her Majesty's Government, whilst thinking it right to comply, under proper provisions, with the prayer of the Address to the Queen from the Parliament of Canada, that Rupert's Land and the North West Territory may be united with the Dominion of Canada, desire to pay due regard to the interests of Her Majesty's subjects already concerned in the territory, and with that view will be prepared to make provision for any reasonable terms which may be agreed upon with the Hudson's Bay Company.

Before proceeding to state the conditions which they would undertake to recommend the proprietors to accept, the Committee think it necessary to point out the important difference in the basis of the negotiations between the Secretary of State for the Colonies in 1864, to which you refer in your letter, from that of the negotiations into which his Grace the Duke of Buckingham and Chandos now invites the Company to enter.

In the letter of Mr. Fortescue of 11th March 1864, the first condition proposed by the Duke of Newcastle was —

“That within certain geographical limits (coinciding more or less with those laid down in your letter), the territorial rights of the Company should be surrendered to the Crown.”

These geographical limits are defined in the letter of Sir Edmund Head of 13th* November 1863, as follows:—

Printed as
Appendix III.
p. 66.

* Query 11th.

“With regard to the extent of the proposed Colony, of which the seat of Government would be Red River or Fort Garry, the Committee presume that his Grace would wish it to include the whole country from the frontier of the United States to the north branch of the Saskatchewan, and to extend eastward towards Lake Superior, as far as the frontier of Canada, wherever the precise line of that frontier may be found. Perhaps the most convenient limit for the northern boundary would be either the Saskatchewan itself, or a line running from the Rocky Mountains eastward through Edmonton House and Fort Cumberland, and from the latter following the Saskatchewan down to Lake Winnipeg. Nothing would be gained by going further to the northward, nor by including the eastern side of Lake Winnipeg; but from the mouth of the Winnipeg river, where it enters the lake, the line of demarcation might be run eastward until it cut the Canadian frontier somewhere north of Lake Superior or Lake Huron.”

From this quotation his Grace will see that the terms to which Sir Edmund Head stated in his letter of 13th April 1864, that the Committee were willing to agree, referred only to a portion of the territory held by the Company, being that portion which it is supposed may be capable of settlement.

Now, on the other hand, it is proposed, as the Committee understand your letter, to extinguish the Company's territorial rights in the whole of Rupert's Land, and to place the whole of Rupert's Land, together with the North Western Territory, under the Government of Canada.

The Committee have invariably expressed their anxiety to offer no obstacle to any arrangements for facilitating the colonisation of all such parts of Rupert's Land as can possibly be settled; they have only asked that reasonable compensation be secured to the Company for its territorial rights; and in the letter of Sir E. Head of the 25th of January last,* they disclaimed all desire to impede the general policy of transferring the Government of the North West Territory and of the Hudson's Bay Territory to the Government of Canada; but his Grace will not fail to perceive that there is a wide difference between the terms assented to by the Committee in their correspondence with the Duke of Newcastle, under which the Company would have retained the exclusive control over that part of the territory where their fur trade is principally carried on, and the surrender of the whole of their territorial rights; and it becomes, therefore, of the utmost consequence to the Company that such provisions shall be made as will enable them to carry on their fur trade without interruption.

* Page 17.

Bearing these considerations in mind, the Committee are prepared to recommend the proprietors to accept the following terms, which, as his Grace will perceive, are based upon the terms proposed in Sir Edmund Head's letter of 13th

April 1864, with such additions as the altered state of the case seems to them to require.

1. That the Company shall surrender all the territory which they hold under their Charter, with the reservation of all their posts and stations, with an area of 6,000 acres round each such post or station; this reservation of 6,000 acres, however, not to apply to the Red River Settlement.

2. That the Company shall be entitled to receive one shilling for every acre of the land surrendered, which shall be disposed of by the Government, whether by sale, lease, or free grant, or parted with in any other manner.

3. That one quarter of the sum received by the Government as an export duty for gold and silver, or on leases of gold and silver mines, or for licenses for gold and silver mining, shall be paid to the Company; the amount to be received under this and the preceding Article being limited to a total sum conjointly of one million sterling.

4. That the Canadian Government shall confirm all titles to land that has been alienated by the Company at Red River or elsewhere.

5. That whenever the Government shall have sold, leased, granted, or otherwise parted with 50,000 acres, the Company shall be entitled, for every such 50,000 acres, to a free grant of 5,000 acres of wild land, to be selected by them.

6. That no tax shall be imposed upon any land belonging to the Company not under cultivation, and no exceptional tax shall be imposed upon the Company's other lands or property, or upon the Company's servants.

7. That the disputed matter of the Company's lands in Canada be settled by issuing grants on the footing formerly agreed upon by Mr. Vankoughnet and Mr. Hopkins.

8. That the Canadian Government shall take over from the Company all the materials for the construction of the telegraph now in Rupert's Land and the North West Territory, on payment of the cost price and the expenses already incurred, with interest.

9. That full liberty to carry on their trade shall be secured to the Company free from any special or exceptional taxation.

10. That until the million sterling stipulated by Articles 2 and 3 shall be paid to the Company, no export duties shall be levied by Canada upon furs exported by the Company; and no import duties shall be levied upon articles imported by the Company into the North Western Territory, and into that part of Rupert's Land which is not included within the geographical limits laid down in Sir E. Head's letter of 13th November 1863; the Company to be further entitled to import goods in bond, free of duty, through any part of the surrendered territory into the North Western Territory and the aforesaid part of Rupert's Land.

Lastly, that in order to afford to the Company a guarantee for the due fulfilment of these provisions by the Canadian Government, power shall be given to the Company to bring before the Judicial Committee of Her Majesty's Privy Council for decision any matters connected with the carrying into effect the foregoing provisions, in respect of which they may consider themselves aggrieved.

The Committee assume that all charges of a public character which now fall on the Company will be transferred to the Canadian Government, and that in order to prevent any dispute with Canada hereafter as to the limits of the territory to which the conditions to be agreed upon shall apply, the boundary line between the territory surrendered by the Company and the present Dominion of Canada, will be precisely defined before the cession is completed.

The Committee desire me, in conclusion, to refer to the letter of Sir E. Head of the 25th of January last, and especially to the last paragraph of that letter. They feel confident that they will not be deemed unreasonable in asking that, in transferring the North West Territory to Canada, such provisions shall be made as
may

may secure to the Company full liberty to trade as at present, as well as the unmolested possession of their posts, stations, and other property, free from any exceptional duties on their property or servants.

I have, &c.
(signed) *Kimberley.*

— No. 8. —

COPY of a LETTER from Sir *Frederic Rogers*, Bart., to the Earl of *Kimberley*.

No. 8.
Sir F. Rogers,
Bart., to the Earl
of Kimberley.
7 August 1868.

My Lord,

Downing-street, 7 August 1868.

A BILL having now passed through both Houses of Parliament, conferring the necessary power for the surrender to Her Majesty by the Hudson's Bay Company of their territories and privileges, on such terms as may be agreed upon, I am directed by the Duke of Buckingham and Chandos to transmit to you a copy of the Act.

31 & 32 Vict.
c. 105. Printed
as Appendix II. P.
65.

In your Lordship's letter, dated the 13th of May last,* there are certain points in the terms set forth which the Duke of Buckingham and Chandos would not feel at liberty to agree in their present shape. His Grace believes that the best prospect of arriving at an agreement satisfactory to both parties will probably be afforded by personal consultation. He would propose, therefore, to meet your Lordship, at such time as may be convenient for the purpose to your Lordship, and to any members of the Company whose assistance you would desire. Some time in the ensuing month will, probably, be suitable.

* Page 22.

I have, &c.
(signed) *Frederic Rogers.*

— No. 9. —

COPY of a LETTER from the Earl of *Kimberley* to Sir *Frederic Rogers*, Bart.

No. 9.
The Earl of
Kimberley to Sir
F. Rogers, Bart.
16 August 1868.

Sir,

Kimberley House, 16 August 1868.

I BEG leave to acknowledge and thank you for your letter of the 7th instant.

I request you will have the goodness to inform his Grace the Duke of Buckingham that I shall gladly avail myself of his suggestion that I should have an interview with him next month to discuss the terms proposed in my letter of the 13th of May last;† and I will, when the time approaches, take an opportunity of communicating with his Grace as to the day and hour when it will be convenient to him to receive me and such other members of the Committee of the Hudson's Bay Company as may accompany me.

† Page 22.

I have, &c.
(signed) *Kimberley.*

— No. 10. —

COPY of a LETTER from the Earl of *Kimberley* to the Right Honourable *C. B. Adderley*, M.P.

No. 10.
The Earl of
Kimberley to the
Right Hon. C. B.
Adderley, M.P.
27 Oct. 1868.

Sir,

Hudson's Bay House, London,
27 October 1868.

THE Committee of the Hudson's Bay Company have received from Sir C. Lampson and myself reports of the interviews which we have had the honour to have with his Grace the Duke of Buckingham and Chandos, on the subject of the proposed cession to Canada of the Company's territorial rights; and they have anxiously considered how far they would be justified in altering the terms

proposed in my letter of May 13th, with a view to meet the objections which have been raised to them.

They understand his Grace to suggest that, instead of the Company being entitled to a free grant of 5,000 acres, to be selected by them, for every 50,000 acres which shall be alienated by the Government, the whole territory should be at once divided into sections on the map, and that a certain portion of each section should be allotted to the Company, by a fixed geographical rule, the Company taking its chance as to the value of the land which might fall to its share; and further, that, in order to meet the evils which might arise from the existence of so many blocks of wild land free from taxation, the exemption of the Company's wild land from taxes should continue only for a limited period, say, for example, 20 years.

The Committee regret that they are unable to agree to this mode of allotment. One of the chief inducements to their shareholders to accept the proposed arrangements would be, that according to the plan of the Committee, if, as it is hoped, the colonisation of the country proceeded rapidly under the new Government, the Company would receive blocks of land of moderate size, in the vicinity of the new settlements, which would possess an actual value in the market. But if the plan suggested by the Duke of Buckingham were adopted, instead of the grants to the Company proceeding equally with the progress of colonisation, the whole country would be dotted over with isolated tracts of wild land belonging to the Company, many of which, even if ultimately available for settlement, must necessarily remain entirely valueless until long after the expiration of the 20 years, and, if taxed, would be a heavy burden instead of a source of profit to the Company.

The Committee are willing, however, to agree that the exemption from taxes on the Company's wild land shall only apply to each block of 5,000 acres, which they may be entitled from time to time to select, for a period of 20 years from the date of selection. This would give the Company a reasonable time within which to turn each block to profitable account, and at the same time the ultimate liability to taxation would prevent these lands from becoming an obstruction to the free progress of settlement. The Committee think it right to add that they do not propose that land purchased by the Company should be reckoned in the 50,000 acres, and that the selection of the land by the Company naturally implies that the Company shall bear the cost of such a survey as may be necessary to define the land selected, it being understood that the Company shall have the option of making the survey by means of their own officers.

The Committee are also quite willing that land granted for such purposes as roads, churches, or schools, shall not be liable to the payment of 1 s. per acre to the Company, provided that the exemption is restricted to the land actually used in the construction of the work, and that the exceptions are specified in the agreement with the Government for the cession of the Company's rights.

They also admit that it is proper that a similar exemption should apply to land set apart as Indian reserves, on the understanding that these reserves will be made by Her Majesty's Government, as they are informed it is his Grace's intention they shall be, before the Company's territory is transferred to Canada; and that if, at any time before the million sterling is paid to the Company, such land shall be used or granted for other purposes, it shall become liable to the payment of 1 s. an acre, in common with other land.

With respect to the land which the Committee have asked that the Company may retain as private property round their posts and stations, if 6,000 acres are thought to be too much in that part of Rupert's Land which is suited for settlement, the Committee will consent that the 6,000 acres shall only apply to posts which do not lie within the limits referred to under Article 10, in my letter of 13th May, as laid down in Sir E. Head's letter of 13th November 1863, and that within those limits the extent of land to be retained round each post shall not exceed 3,000 acres; all the lands retained to be free from taxation, except when reclaimed from a wild state. Lastly, the Committee cannot deny that the stipulation that the Company shall have power to bring before the Judicial Committee of Her Majesty's Privy Council matters in dispute, is open to the objection that the Privy Council acts only as a court of appeal; and as they presume that the Company would be entitled to appeal from the local courts to the Privy Council, they do not think it indispensable to insist on this demand.

The

The Committee, in declaring their willingness to make these alterations in the terms which they proposed, are actuated by a sincere desire to arrive at an agreement with Her Majesty's Government; but they are conscious that they would be wanting in their duty if they did not add, that at the half-yearly meeting of their shareholders, held since my letter of 13th May was written, opinions were expressed strongly adverse to any arrangement for the cession of the Company's territorial rights, which did not secure the payment, as compensation, of a sum of hard money.

Sir E. Head, in the concluding paragraphs of his letter of 13th April 1864,* in which terms were proposed similar to those now under discussion, but involving the cession of a part only of the Company's territory, avowed to the Duke of Newcastle the apprehensions of the Committee that it might be difficult to convince the shareholders that the offers then made were to their advantage; and although the Committee have felt bound not to recede from the terms contained in my letter of 13th May,† which were based on their former offers, they cannot conceal from his Grace that they anticipate a very serious opposition on the part of their shareholders to any such arrangement as that which they have put forward.

* *Vide Appendix III., page 72.*

† *Page 22.*

His Grace will recollect that, at our first interview, before the Canadian delegates had started for England, Sir C. Lampson and I strongly insisted upon this point, and that we suggested that if Canada would agree to pay to the Company one million sterling, in bonds, such a settlement might be acceptable to our proprietors.

The Committee entirely share this view. The more they consider the very complicated arrangements which have been devised as a substitute for the payment of a sum of money at once, the more they are convinced that it is as much for the interest of Canada as of the Company that the claims of the Company should be provided for by a direct compensation, and not by contingent payments extending over a long series of years, and by grants of land under stipulations which, although indispensable to protect the Company from spoliation, would be invidious in the eyes of the future settlers, and embarrassing to the Colonial Government.

At the same time the Committee desire me to assure his Grace that if their terms, as now modified, are agreed to by Her Majesty's Government, the Committee will use all their influence to induce the proprietors to confirm them.

I have, &c.
(signed) *Kimberley*,
Governor.

— No. 11. —

COPY of a LETTER from the Right Hon. *C. B. Adderley*, M.P., to the Earl of *Kimberley*.

No 11.
The Right Hon.
C. B. Adderley,
M.P., to the Earl
of *Kimberley*.
1 Dec. 1868.

My Lord,

Downing-street, 1 December 1868.

I AM directed by the Duke of Buckingham and Chandos to acknowledge the receipt of your Lordship's letter of the 27th October,‡ and to express his Grace's regret that the serious illness of Mr. McDougall, one of the two delegates sent from Canada, which prevented his Grace from communicating with him, should have caused so long a delay in the answer.

‡ *Page 25.*

His Grace regrets to perceive that the letter under reply does not afford much prospect of an arrangement being come to.

Her Majesty's Government, in the letter of Mr. Adderley of 23rd April§ to Sir Curtis Lampson, referring to the negotiations which took place in 1864, requested to be informed "what terms the Company would be prepared to accept, proceeding on the principles then adopted, namely, that the compensation should be derived from the future proceeds of the lands, and of any gold which may be discovered in Rupert's Land, coupled with reservations of defined portions of land to the Company."

§ *Page 22.*

To this your Lordship replied that the Committee were prepared to recommend—

1. That the Company shall surrender all the territory which they hold under their Charter, with the reservation of all their posts and stations, with

an area of 6,000 acres round each such post or station; this reservation of 6,000 acres, however, not to apply to the Red River Settlement.

2. That the Company shall be entitled to receive 1s. for every acre of the land surrendered, which shall be disposed of by the Government, whether by sale, lease, or free grant, or parted with in any other manner.

3. That one quarter of the sum received by the Government as an export duty for gold and silver, or on leases of gold and silver mines, or for licenses for gold and silver mining, shall be paid to the Company; the amount to be received under this and the preceding article being limited to a total sum conjointly of 1,000,000 *l.* sterling.

4. That the Canadian Government shall confirm all titles to land that have been alienated by the Company at Red River or elsewhere.

5. That whenever the Government shall have sold, leased, granted, or otherwise parted with 50,000 acres, the Company shall be entitled for every such 50,000 acres to a free grant of 5,000 acres of wild land, to be selected by them.

6. That no tax shall be imposed upon any land belonging to the Company not under cultivation, and no exceptional tax shall be imposed upon the Company's other lands or property, or upon the Company's servants.

7. That the disputed matter of the Company's lands in Canada be settled by issuing grants on the footing formerly agreed upon by Mr. Vankoughnet and Mr. Hopkins.

8. That the Canadian Government shall take over from the Company all the materials for the construction of the telegraph now in Rupert's Land, and the North West Territory, on payment of the cost price, and the expenses already incurred with interest.

9. That full liberty to carry on their trade shall be secured to the Company free from any special or exceptional taxation.

10. That until 1,000,000 *l.* sterling, stipulated by Articles 2 and 3, shall be paid to the Company, no export duties shall be levied by Canada upon furs exported by the Company, and no import duties shall be levied upon articles imported by the Company into the North Western Territory, and into that part of Rupert's Land which is not included within the geographical limits laid down in Sir E. Head's letter of 13th November 1863; the Company to be further entitled to import goods in bond, free of duty, through any part of the surrendered territory into the North Western Territory, and the aforesaid part of Rupert's Land.

Lastly. That in order to afford to the Company a guarantee for the due fulfilment of these provisions by the Canadian Government, power shall be given to the Company to bring before the Judicial Committee of Her Majesty's Privy Council for decision any matters connected with the carrying into effect the foregoing provisions, in respect of which they may consider themselves aggrieved.

His Grace intimated in reply that there were "certain points in the terms set forth to which he would not feel at liberty to agree in their present shape"; and at the meetings which ensued, his Grace expressed his strong objections to the principle of the proposals of the Company respecting reserves of land to be selected from time to time at the discretion of the Company, and to the principle of special exemption from taxation in their favour, and expressed his opinion that there were many points in the other proposals requiring material modification.

Your Lordship's present letter intimates that the Company are unable to agree to certain modifications which suggested themselves during the discussions as modes of avoiding the objections entertained by his Grace, and proceeds to state the changes which the Company are willing to agree to, and which his Grace understands to be as follows:—

1st. That the exemption from taxes on the Company's wild lands shall only last for a period of 20 years from the date of selection.

2ndly. That

2ndly. That any lands purchased by the Company shall not reckon in the quantities of 50,000 acres in respect of which the Company should be entitled to select 5,000 acres.

3rdly. That the Company shall bear the expense of surveying their blocks of 5,000 acres.

4thly. That lands granted for such purposes as roads, churches, or schools shall not be liable to the payment of one shilling per acre to the Company.

5thly. That the same exception shall apply to lands set apart by Her Majesty's Government as Indian reserves, before the Company's territory is transferred to Canada.

6thly. That with regard to land around posts beyond what is designated the Fertile Belt, 6,000 acres shall be granted, and that only 3,000 acres shall be the quantity within that belt.

7thly. That the proposed recourse to the Privy Council as a Court of First Instance shall be abandoned.

His Grace is unable to recommend the adoption by Her Majesty's Government of such terms for the surrender of the territorial rights of the Company. Whatever be the future government of the territory, whether by the Hudson's Bay Company or by Canada, or by any other authority, very considerable annual outlay will have, as in all other unsettled countries, to be incurred in clearing roads, maintenance and opening of navigation, &c., and surveying.

For these charges the produce of the early sales of land is the natural resource. But by the Company's proposals they would deprive the future Government of any prospect, for a long time at least, of receiving any income.

1st. They first stipulate, not for a share of the receipts from land, but for a definite sum per acre, a sum in all probability far in excess of what is likely in practice to be obtained for the greater portion.

2ndly. They stipulate that they shall retain certain reserves around their posts, amounting, therefore, according to the lists of posts handed in by Sir C. Lampson, to upwards of 500,000 acres of the land most likely to be made available for settlement and sale, as being the land surrounding the established posts of the Company, which they have after long experience retained as the most advantageous positions for trade and occupation, and of which nearly 100,000 acres surround the posts in what is called the Fertile Belt of the territory.

3rdly. And that they shall also receive a share of mineral rights and confirmation of all titles.

4thly. They proceed to stipulate for a further reserve of one-tenth of the whole territory, and that the Company shall have this tenth in blocks of 5,000 acres, to be selected as each successive 50,000 is alienated, and not merely to select in the same locality, but anywhere; so that, for instance, if land is alienated in the higher parts of the Rocky Mountains, at Jasper House, for example, in consequence of the mining operations in that district; or for fishing stations or mining purposes on the coast of Hudson's Bay or Labrador, the Company should be entitled to select the proportionate reserve in such part of the most fertile region as they may consider will realize the utmost profit to them, whether by its cultivation or development, or by its power of obstruction to others.

These lands, moreover, are to be exempt from taxation for a period of 20 years from selection, and the lands retained round the posts to be entirely free from taxation unless reclaimed.

These conditions his Grace cannot accede to; his Grace would, however, recommend Her Majesty's Government to agree to a surrender on the following conditions:—

1st. That the land to be retained by the Company in the neighbourhood of their posts shall vary according to the importance of the post, in no case whatever exceeding 6,000 acres in all for any one post, including the cultivated or reclaimed land now occupied; and in no case exceeding 3,000 acres within the Fertile Belt for principal posts, and 500 acres for minor posts; the

additional land retained to be set out, so as not to include frontage to rivers, or tracks, roads, or portages.

2nd. The Company to receive one-fourth share of all receipt from land. If any free grants of land be made for other than public purposes, such land shall be deemed to have been sold at 1s. per acre.

3rd. That one quarter of the sum received by the Government as an export duty for gold and silver, or on leases of gold and silver mines, or for licenses for gold and silver mining, shall be paid to the Company; the amount to be received under this and the preceding article being limited to a total sum conjointly of 1,000,000 *l.* sterling.

4th. That the Imperial Government shall confirm all titles to land that has been alienated by the Company at Red River or elsewhere.

5th. That the Company shall have the option of selecting five lots of not less than 200 acres each in each township, whenever it is set out, on payment of rateable cost of survey.

6th. That no exceptional tax shall be imposed upon the Company's lands, trade, or servants.

7th. That full liberty to carry on their trade shall be secured to the Company.

8th. The Company to have similar reserves granted them in connection with their posts in the North West Territory.

9th. The boundary lines between Hudson's Bay and Canada to be defined, and between Hudson's Bay and North West Territory to be defined, by a natural or geographical boundary, agreed on.

10th. No wild lands to be taxable until surveyed and marked.

11th. That whenever the payment of 1,000,000 *l.* sterling, under Article 3, shall have been made as therein provided, in cash, or otherwise extinguished, by any payment or commutation, by Canada, to the satisfaction of the Company, the rights of the Company to further selections of lots, to royalties and share of land receipts, shall cease.

12th. Such lands as Her Majesty's Government shall deem necessary to be set aside for the use of the native Indian population shall be reserved altogether from this arrangement, and the Company shall not be entitled to the payment of any share of receipts, or any royalty therefrom, or right of selection in respect thereof, under previous articles, unless for such part, if any, of these lands as may be appropriated, with the consent of the Crown, to any other purpose than that of the benefit of the Indian natives.

If these terms are approved, Her Majesty's Government will be prepared to conclude an arrangement, and to submit it to the Canadian Government for their favourable consideration; but if the Company shall not assent to these conditions, Her Majesty's Government will consider themselves unpledged by any of the offers that have been made.

I am, &c.
(signed) *C. B. Adderley.*

— No. 12. —

No. 12.
Sir Curtis Lamp-
son, Bart., to Sir
Frederic Rogers,
Bart.
10 Dec. 1868.

COPY of a LETTER from Sir *Curtis Lampson*, Bart., to Sir *Frederic Rogers*, Bart.

Hudson's Bay House, London,
10 December 1868.

Sir,

I HAVE the honour to acknowledge the receipt, on the 8th instant, of Mr. Adderley's letter, dated Downing-street, 1st December,* and I have to state that the contents will be, without delay, taken into consideration by the Committee of the Hudson's Bay Company.

I have, &c.
(signed) *C. M. Lampson*,
Deputy Governor.

* Page 27.

— No. 13. —

COPY of a LETTER from Sir *Curtis Lampson*, Bart., to Sir *Frederic Rogers*, Bart.

Hudson's Bay House, London,
22 December 1868.

Sir,

REFERRING to my letter of the 10th instant*, I have the honour to state that the Committee have summoned a General Court of the Proprietors of the Hudson's Bay Company for Tuesday, the 5th of January, for the purpose of electing a Governor in the room of the Right Hon. the Earl of Kimberley, and propose to postpone sending in their answer to Mr. Adderley's letter of the 1st instant† until after such election has been held.

I have, &c.

(signed) *C. M. Lampson*,
Deputy Governor.

No. 13.
Sir Curtis Lampson, Bart., to Sir Frederic Rogers, Bart.
22 Dec. 1868.
* Page 30.

† Page 27.

— No. 14. —

COPY of a LETTER from Sir *Curtis Lampson*, Bart., to Sir *Frederic Rogers*, Bart.

Hudson's Bay House, London,
22 December 1868.

Sir,

I HAVE the honour to enclose, for the information of the Right Honourable the Secretary of State for the Colonies, extracts of letters recently received from Governor Mactavish, dated Fort Garry, Red River Settlement, 10th October and 11th November, from which it will be seen that the Canadian Government have intimated, through an agent sent to Red River by the direction of the Canadian Commissioner for Public Works, their intention to construct a road from Fort Garry to the Lake of the Woods, through the territory of the Company. A trespass upon the freehold territory of the Company must be committed in order to carry out this intention.

The Committee cannot but look upon this proceeding as a most unusual and improper one, especially as negotiations are at present pending for the transfer of the territory of the Company to Canada. This trespass will be an actual encroachment on the soil of the Company, and that too by a Government which has constantly, up to this time, and still disputes the right of this Company over that soil.

The Committee therefore ask for the intervention of Her Majesty's Government, but at the same time they beg leave to say that any application by Her Majesty's Government, or the Canadian Government, for permission to make this road will be favourably entertained.

I have, &c.
(signed) *C. M. Lampson*,
Deputy Governor.

No. 14.
Sir Curtis Lampson Bart., to Sir Frederic Rogers, Bart.
22 Dec. 1868.

Enclosure in No. 14.

EXTRACTS of Letters from Governor *Mactavish* to *W. G. Smith*, Esq., Secretary, dated, respectively, Fort Garry, Red River Settlement, the 10th October and 11th November 1868.

10th October.—“ I AM informed that the Canadian Government have forwarded, in charge of a Mr. Snow, a quantity of provisions, which Mr. Snow has written to one of the merchants here to provide freight for from Georgetown, and appointed the 15th instant as the date on which the supplies will be at Georgetown. Mr. Snow himself says nothing on the subject, but it is rumoured here that he comes up for the purpose of superintending the making of a cart-road from this place to the Lake of the Woods, and that the provisions he is bringing are to be used in payment of labour on the above road.”

11th November.—“Mr. Snow, who I before advised you was expected here to superintend in making a road from this settlement to the Lake of the Woods, with a view to opening direct communication with Canada, arrived some time ago, and is now on the eve of commencing operations. He has brought in with him some provisions, with which he purposes paying for labour on the road. On his arrival here, he called on me to show his instructions from the Commissioner of Public Works. These contained nothing of any consequence beyond the expression of a hope on the part of the Commissioner that the Company's agent here would offer no opposition to Mr. Snow's operations, but would leave the matter entirely in the hands of the Imperial Government, which, as generally people here regard Mr. Snow's arrival as opportune, on account of the scarcity of provisions, I agreed to do; and without instructions to protest against Mr. Snow's action, I did not think it politic to do so.

— No. 15. —

No. 15.
Sir Frederic
Rogers, Bart., to
Sir Curtis Lamp-
son, Bart.
4 Jan. 1869.

COPY of a LETTER from Sir *Frederic Rogers*, Bart., to Sir *Curtis Lampson*, Bart.

Sir,

Downing-street, 4 January 1869.

I AM directed by Earl Granville to acknowledge the receipt of your letter of 22nd ultimo,* stating that the Committee of the Hudson's Bay Company propose to postpone sending in their answer to Mr. Adderley's letter of 1st December, until after the election of a new Governor, in the room of the Right Hon. the Earl of Kimberley, for which purpose a General Court of the Proprietors has been summoned for Tuesday, the 5th inst.

I am to express Lord Granville's hope that the Committee will not allow any unnecessary delay to take place in coming to a decision upon the proposals contained in Mr. Adderley's letter.

I am, &c.
(signed) *Frederic Rogers*

— No. 16. —

No. 16.
Right Hon. Sir
S. H. Northcote,
Bart., to Sir
Frederic Rogers,
Bart.
13 Jan. 1869.

COPY of a LETTER from the Right Hon. Sir *Stafford H. Northcote*, Bart., to Sir *Frederic Rogers*, Bart.

Sir,

Hudson's Bay House, London,
13 January 1869.

I HAVE the honour to acquaint you, for the information of Earl Granville, that I was elected by the shareholders of this Company, on Tuesday the 5th instant, to the office of Governor, vacant by the resignation of the Earl of Kimberley.

It now becomes my duty to address you in reply to Mr. Adderley's letter, dated the 1st December 1868,† which was received by my predecessor on the eve of his resignation, and to which, in consequence of that event, the Committee have not been able to send an earlier answer.

Before making any observations upon the particular topics discussed in Mr. Adderley's letter, I am desired by the Committee to assure Lord Granville that they continue sincerely anxious to promote the object, with a view to which this Company was reconstructed five-and-a-half years ago, viz., the gradual settlement of such portions of their territory as admit of colonisation; that they adhere to the opinion expressed in their resolution of the 28th August 1863, viz.: that the time has come when it is expedient that the authority, executive and judicial, over the Red River Settlement, and the south-western portion of Rupert's Land should be vested in officers deriving such authority directly from the Crown; and that they cheerfully accept the decision of Her Majesty's Government, communicated to them in Mr. Adderley's letter of the 23rd April 1868,‡ viz., that the whole of the Company's territory should, under proper conditions, be united with the Dominion of Canada, and placed under the authority of the Canadian Parliament.

Acting

† Page 27.

‡ Page 22.

Acting in accordance with the wish of Her Majesty's Government, as conveyed to them in Mr. Elliot's letter of the 23rd January 1867,* the Committee have declined to encourage overtures which have been made to them by private persons for the purchase of portions of the Company's territory, with a view to their colonisation, and have kept the whole question in abeyance during the time that the negotiations, which have led to the Confederation of the British Provinces constituting the Dominion of Canada, were proceeding. In the whole of that time they have taken no step which could give rise to fresh complications, or could place any new difficulty in the way of the admission of their territory into the Confederation when the proper moment should arrive; and when they were informed by Mr. Adderley's letter of the 23rd of April that the Parliament of Canada had addressed Her Majesty upon the subject, and were requested to state the terms which the Company would be prepared to accept, proceeding on the principle adopted in the interrupted negotiation of 1864, they unhesitatingly complied with the desire of the Government.

* Printed in Appendix III., page 76.

It is therefore with surprise, as well as with regret, that they have learnt from the letter now under reply, that the terms proposed by them, even when most strictly in conformity with the principles adopted in 1864, are considered by Her Majesty's Government to be inadmissible, and not to afford much prospect of an arrangement being come to. They find, for instance, that the stipulation that the Company should receive one shilling per acre on lands hereafter sold, which was originally suggested to the Committee by his Grace the late Duke of Newcastle, in Mr. Fortescue's letter of 11th March 1864,† and which has never hitherto been called in question, is the first point to which exception is now taken. Objections are also raised against several other proposals which have been long before the Government, while no notice at all is taken of some which have been made for the first time with a view to the protection of the Company's trade, and with regard to which the Committee are left in ignorance whether they are considered admissible or not.

† *Ibid*, page 68.

The Committee, although somewhat embarrassed by this apparent change in the spirit of the correspondence, desire me, however, to make the following observations upon some of the remarks contained in Mr. Adderley's letter, in order that there may be no misapprehension as to the bearing of their proposals.

The Committee are aware that, as is stated in Mr. Adderley's letter, in order to prepare the country for settlement, very considerable annual outlay will have to be incurred, and that for this charge the produce of the early sales of land is the natural resource; but they are at a loss to understand upon what ground it is alleged that their proposals would deprive the future Government of the ceded territory of "any prospect, for a long time at least, of receiving any income." The only part of the territory in which it is probable that any early or extensive settlement will take place is the part known as the Fertile Belt. It has been confidently asserted by independent persons who have travelled through the country that a great part of this land is not inferior in quality, or in advantages of climate, to the adjoining United States territory, now forming the State of Minnesota; and it has been justly pointed out that, being prairie land, it does not require much labour to render it fit for cultivation. But the price of land in Minnesota ranges, as the Committee are informed, from 5 s. to 1 l. per acre. The Committee think, therefore, that the fixed payment of 1 s. per acre, proposed by the Duke of Newcastle, and accepted by them as a basis of compensation, cannot be deemed to be unreasonable in so far as relates to land sold within the limits set forth in Sir Edmund Head's letter of the 11th November 1863.‡

‡ *Ibid*, page 66.

As regards any portions of land lying outside those limits which may possibly be sold, the Committee think it very improbable that such sales will take place except for mining purposes, in which case the payment of 1 s. an acre could hardly be deemed excessive. In order to save trouble and to obviate disputes, therefore, the Committee proposed the fixed payment of 1 s. per acre in respect of all sales, wherever they may take place; and they believe that the arrangement would have been, on the whole, more favourable to Canada than that suggested by Mr. Adderley.

Mr. Adderley proceeds to remark, with reference to Lord Kimberley's proposal, that the Company should retain certain reserves around their posts, that the reservations would amount to upwards of 500,000 acres. It was, however, stated by Lord Kimberley and the Deputy Governor, at an interview with the

* Appendix III.,
page 66.

Duke of Buckingham upon this subject, that the Committee were willing to confine their claim for reserves to the limits defined by Sir Edmund Head's letter of the 11th November 1863; that they were prepared to agree that such reservations should be measured by the importance of the posts to which they were to be attached, and should in no case exceed 3,000 acres. The total quantity of land to be retained by the Company under this arrangement would not exceed 50,000 acres. The Committee cannot agree to the absolute exclusion of these reserves from all frontage "to rivers or tracks, roads, or portages," which would render them entirely valueless, though they would have been ready to consider any reasonable limitation of these special advantages.

As regards the right of selecting lands for the Company in proportion to the quantities sold from time to time by the Government, the Committee desire to call Lord Granville's attention to the reasons given in Sir E. Head's letter of the 13th April 1864 for adopting this mode of reservation in preference to that of "setting apart beforehand a number of isolated tracts of wild land dotted over the surface of the Colony, and calculated to impede the free flow of settlement in the territory."

Their proposal was framed with reference to sales in the Fertile Belt only, and it never entered into their minds to contemplate such contingencies as those suggested in Mr. Adderley's letter. In order, however, to obviate all cavil upon this point, they would have been quite willing to limit the Company's right of selection to the case of lands sold or alienated within Sir E. Head's limits, provided that it were agreed that no alienations should take place beyond those limits, except either for distinctly public purposes, or for the *bond fide* carrying on of agricultural or mining operations. As regards Mr. Adderley's proposal, that the right of selection should be confined to five lots of 200 acres each, in each township as it is set out, the Committee can only remark that the character of this proposal must depend upon the size of the township, of which no indication has been given.

The Committee still adhere to the opinion, that under the peculiar circumstances of the proposed transfer of their territory, it would be reasonable that their wild lands should, for a limited time, be exempt from taxation, in order to allow them a fair opportunity of bringing them into profitable cultivation.

They observe that Mr. Adderley makes no reference to the 10th stipulation contained in Lord Kimberley's letter of the 13th May;† viz., that until the stipulated sum of 1,000,000 £ sterling has been paid to the Company, no export duties shall be levied by Canada upon furs exported by the Company, nor any import duties on articles imported by them into the North Western Territory, and into that part of Rupert's Land which is not included within the geographical limits laid down in Sir Edmund Head's letter of 11th November 1863. This is a point to which the Committee attached very great importance. If it had been proposed by the Canadian Government to make a direct purchase of the Company's territory, and to pay the price for it at once, the Company would of course have accepted their fair share of the burdens which annexation might be expected to involve. But if the purchase-money is to be withheld until the Canadian Government have sold off 20,000,000 acres of the land, or have realised a considerable sum by the produce of mining operations, it is reasonable that the pressure of the fiscal burdens, which would fall almost exclusively upon the Company's trade should be suspended also. Otherwise it might happen that, in consequence of the neglect or the inability of the Canadian Government to proceed with the settlement of the territory, the Company would be subjected to very heavy contributions to the Colonial Treasury without receiving the smallest benefit in return. As an illustration of the extent to which they might thus be injured, were no limitation placed upon the Colonial power of taxation, I may observe that, according to the present Canadian tariff, the duty upon the value of the Company's imports alone would amount to about 20,000 £ a-year; while any export duty that might be laid upon their furs would operate still further to their disadvantage. The Committee feel confident that Lord Granville will acknowledge the reasonableness of their taking precautions against such a contingency.

The Committee have desired me to offer to Lord Granville these explanations of their proposals, in order to show that they have done their best to comply with the desire of Her Majesty's Government, that they should submit a scheme founded on the principles of the negotiations of 1864. They have not, however, failed to perceive, from an early period of the lengthened correspondence which
has

† Page 22.

has taken place between them and the Government, that those principles necessarily gave rise to many difficulties; and they have felt this the more strongly since the negotiations, originally commenced between the Company and Her Majesty's Government, have virtually become negotiations between the Company and the Government of Canada. They cannot disguise from themselves the danger which exists that arrangements so complicated, and involving so many topics for future discussion, are likely to lead to the Company's being placed in a position of antagonism to the Government of Canada, and to the creation of a state of things injurious not only to their own interests but to the welfare of the country itself.

They are sincerely anxious to co-operate with the Canadian Government in the settlement, development, and improvement of the territories with which they have been so long connected, and they believe that if the arrangements between them can be placed on a satisfactory footing, it will be in their power to render material assistance to the Colonial authorities in this respect. They believe that if a simpler arrangement than that which has recently been under discussion could be adopted, and if the Canadian Government were prepared to complete the purchase of the territory at once, by the payment of a sum of money or by the delivery of bonds, it would conduce to a more satisfactory result than the prolongation of a controversy as to the minute points of such a scheme as has been under consideration.

Should Lord Granville be of this opinion, and should his Lordship think it desirable to recommend any proposal of the kind to the Canadian delegates, this Committee will gladly place themselves in fuller communication with him on the subject.

I have, &c.
(signed) *Stafford H. Northcote,*
Governor.

— No. 17. —

COPY of a LETTER from Sir *Frederic Rogers*, Bart., to Sir *Curtis Lampson*, Bart.

Sir,

Downing-street, 28 January 1869.

I LAID before Earl Granville your letter of the 22nd* ultimo, relating to an invasion of the rights of the Hudson's Bay Company, apprehended by them from certain steps taken under the authority of the Canadian Government.

A copy of your letter was, by his Lordship's direction, forwarded to Sir G. Cartier and Mr. M'Dougall, with a request that they would furnish any explanation it might be in their power to afford respecting the proceedings of the Canadian Government that were referred to; and I am desired to transmit to you, for the information of the Hudson's Bay Company, a copy of the letter which has been received from those gentlemen in reply.

I am, &c.
(signed) *Frederic Rogers.*

No. 17.
Sir Frederic
Rogers, Bart., to
Sir Curtis Lamp-
son, Bart.
28 January 1869.
* Page 31.

16 January 1869.
Page 50.

— No. 18 —

COPY of a LETTER from the Right Hon. Sir *Stafford H. Northcote*, Bart., M.P., to Sir *Frederic Rogers*, Bart.

Sir,

Hudson's Bay House, London,
2 February 1869.

I HAVE the honour to acknowledge your letter of the 28th January, addressed to the Deputy Governor of this Company, enclosing a communication from Sir G. Cartier and Mr. M'Dougall on the subject of the recent proceedings of the Canadian Government in the matter of the construction of a road through the Company's territory, between Fort Garry and the Lake of the Woods.

After the distinct statement contained in Sir Curtis Lampson's letter of the 22nd December, that the Company, while protesting against a trespass on their land,

No. 18.
Right Hon. Sir
Stafford H. North-
cote, Bart., M.P., to
Sir Frederic
Rogers, Bart.

land, were prepared favourably to entertain any application for permission to make such a road, either on the part of the Imperial, or of the Canadian Government, the Committee think it unnecessary to discuss the greater portion of the letter of the Canadian Ministers. Their objection is not to the road being made, but to its being undertaken by the Canadian Government as a matter of right, as though the territory through which it is to pass were Canadian. Such a step, taken at a moment when negotiations are in progress for the transfer of the Company's possessions to Canada, and taken by a Government which openly disputes their title to this portion of them, could not have been allowed to pass unchallenged without derogating from the Company's rights. The Canadian Government themselves seem to have been alive to this. Mr. Mactavish states that the agent of that Government (Mr. Snow), on arriving at the Red River, communicated to him his instructions from the Commissioner of Public Works in Canada, containing the expression of "a hope on the part of the Commissioner that the Company's agent here would offer no opposition to Mr. Snow's operations, but would leave the matter entirely in the hands of the Imperial Government." Governor Mactavish, upon this, very properly allowed Mr. Snow to commence his operations; and so far as this Company is concerned, no impediment has been, or will be, offered to the prosecution of the work.

If it were worth while to discuss that part of the letter of the Canadian Ministers which refers to the circumstances under which the construction of the road was ordered, the Committee would be able to show that the Company had in no way failed in their duty to the Colony, but that they had promptly taken measures for the relief of its inhabitants, and had supplied large sums, both by direct grants and by subscriptions raised under their auspices for that purpose, at a period anterior to the appropriation of the Canadian Road Grant. They would also be able to point out how the delay which has occurred in opening up communications, and otherwise developing the resources of the Red River Settlement, is due to the restraint which has been imposed upon them by Her Majesty's Government at the request of Canada, and not to any negligence or indifference of their own.

But the Committee desire to avoid the raising of a false issue, and they accordingly instruct me to re-state to Earl Granville the precise complaint which they have to make. It is this: That while negotiations are going on for the acquisition of their territory by Canada, the Canadian Government are endeavouring to exercise rights of ownership over a portion of that territory to the exclusion of the Company, and to the prejudice of their title. This they are doing by virtue of an old claim which they have repeatedly advanced, which the Company have invariably disputed and have declared themselves ready to contest before a court of law, and which Her Majesty's Government, acting under the advice of various Law Officers of the Crown, have declined to endorse. The Canadian Government have hitherto shown no inclination to bring their claim to the test of a judicial decision, and in the absence of any such decision, the Committee consider it not unreasonable to ask that due respect should be paid to the Company's uninterrupted possession of the territory for two centuries, and to the numerous and weighty legal opinions which have from time to time been given in their favour.

In appealing to Earl Granville for support in this matter, instead of entering into a controversy with Canada, or taking legal steps to enforce the Company's rights, the Committee have been actuated by a desire to proceed as far as possible in accordance with the views and wishes of Her Majesty's Government, as they have endeavoured to do throughout the pending negotiations for the establishment of a settled form of government at the Red River. They desire now respectfully but confidently to claim the support and protection of the Colonial Minister against any invasion of the Company's rights which may have been prompted or facilitated by the policy which they have adopted in order to meet the wishes of the Colonial Office.

I have, &c.

(signed) *Stafford H. Northcote,*
Governor.

— No. 19. —

COPY of a LETTER from Sir *Frederic Rogers*, Bart., to the Right Honourable Sir *Stafford H. Northcote*, Bart., M.P.

No. 19.
Sir Frederic
Rogers, Bart., to
the Right Hon.
Sir Stafford
Northcote, M.P.
22 February 1869.

9 February 1869,
page 52.

Sir,

Downing-street, 22 February 1869.

I AM directed by Earl Granville to enclose, for the information of the Directors of the Hudson's Bay Company, the copy of a letter which his Lordship has received from Sir G. Cartier and Mr. M'Dougall. As the greater part of that letter relates to matters on which the Company and the Colony cannot be expected to agree, and on which Her Majesty's Government has no authority to decide their differences, Lord Granville has felt some doubt whether the settlement of the question would be advanced by forwarding this letter. He considers it, however, necessary to do so, and in doing so to explain clearly the position which he considers himself to occupy.

It appears that his Lordship's predecessor entertained the hope that he would be able to arrange the terms of a compromise, under which, with consent of both parties, the sovereignty of the Hudson's Bay Company's Territory would be transferred to the Dominion of Canada.

With this view his Grace made to the Company a proposal, respecting which Sir G. Cartier and Mr. M'Dougall write as follows:—

"The proposals submitted to the Company by the late Government in the letter of Mr. Adderley of the 1st December last,* were not made at our suggestion, although we were disposed to think (and so informed his Grace) that if the Company accepted them, the Canadian Parliament might be persuaded to undertake the duties of legislation and government in the territories, on the conditions specified."

* Page 27.

Your letter of the 13th ultimo† may be considered as a rejection of those proposals, and as thus terminating the negotiations instituted by the Duke of Buckingham and Chandos. But in your letter you propose that the matter should be settled by the immediate payment of a fixed sum of money, or by the delivery of bonds, and you express yourself prepared to enter into fuller communication with Lord Granville on this subject.

† Page 32.

It is, of course, obvious that this negotiation for the purchase of the Hudson's Bay Company's Territory is really between the seller and the buyer, the Company and the Colony; and Lord Granville is of opinion that if the negotiation is revived on this or any other basis, Her Majesty's Government can at present do no good by assuming to frame or suggest terms of accommodation, but can merely offer to act as a channel of communication between these two real parties to the transaction, using its best endeavours to remove any difficulties not inherent in the nature of the case.

Acting on this view, Lord Granville communicated to Sir G. Cartier and Mr. M'Dougall a copy of your letter of the 13th. The enclosure to this letter is the answer which he has received.‡

The material sentences, for the present purpose, are those with which the letter concludes.

‡ 9 Feb. 1869.
Page 52.

You will observe that the representatives of the Colony state the principles on which they consider the cost of the territory should be calculated, indicating the opinion that the sum of 106,431 £. is the highest which could on any hypothesis properly be demanded by the Company, and express their strong conviction that no money offer which either the Imperial or Canadian Government would deem reasonable would be accepted by the Company. Assuming this to be the case, they ask, on the part of the Dominion Government, either the immediate transfer of the sovereignty of the whole territory, subject to the rights of the Company, or a transfer of the sovereignty and property of all the territory not heretofore validly granted to, and now held by, the Company under its charter.

Under these circumstances, Earl Granville directs me to communicate to you the enclosed letter, which, taken in connection with previous correspondence, appears to him to leave little present hope of bringing matters to a settlement by way of compensation. If the Directors of the Company should still think any such arrangement possible, his Lordship will, of course, be prepared to transmit to the Canadian representatives any modified proposal on the part of the Company.

pany. Failing this, he thinks it proper to invite from the Directors, not any argument respecting the true nature and extent of the Company's claims, from which, as not being before a court of law, he could anticipate no result, but a statement of any objections they may have, whether of principle or detail, to the two counter-proposals now made by Sir G. Cartier and Mr. M'Dougall on behalf of the Canadian Dominion.

And it might not be immaterial to add what course the Company would propose to take for securing that life and property are adequately protected and international obligations duly performed in their territory, so long as they remain responsible for its government.

I am, &c.
(signed) *Frederic Rogers.*

— No. 20. —

No. 20.
Right Hon. Sir
Stafford Northcote,
M. P., to Sir
Frederic Rogers,
Bart.

26 February 1869.

* Page 37.

† Page 32.

COPY of a LETTER from the Right Honourable Sir *Stafford H. Northcote*, M.P.,
to Sir *Frederic Rogers*, Bart.

Hudson's Bay House, London,
26 February 1869.

Sir,

I HAVE the honour to acknowledge your letter of the 22nd instant,* transmitting by Earl Granville's direction, a copy of a letter addressed to his Lordship by Sir George Cartier and Mr. M'Dougall, on the subject of my letter to yourself, dated the 13th ultimo.†

The Committee of the Hudson's Bay Company, understand from your letter, that it is not Earl Granville's wish that they should enter into a discussion of the communication from the Canadian delegates, and they therefore refrain from making any comments upon its tone, or criticising and correcting its assertions. If there are any of those assertions to which Earl Granville, himself, attaches weight, the committee will gladly, on their being pointed out to them, offer such observations upon them as may appear to be necessary.

As regards the manner in which the Canadian delegates treat the suggestion contained in my letter of the 13th ultimo, that the Canadian Government should complete the purchase of the Company's territory at once, by the payment of a sum of money, or by the delivery of bonds, the Committee desire me to observe, that they might have had some difficulty in gathering from the terms in which the delegates express themselves, whether they were or were not prepared to entertain that suggestion, and to open a negotiation with this Company. But as Earl Granville, who has had personal communication with the delegates, is of opinion that their letter, taken in connection with previous correspondence, leaves little present hope of bringing matters to a settlement by way of compensation, the Committee are forced to adopt the conclusion, that it is intended as a virtual refusal on the part of the delegates to entertain the question in a serious spirit.

Should Earl Granville come to the conclusion, that it is desirable that the Committee should renew the offer of communicating fully with him on the subject of a money sale, which they made in my letter of January 13th, they will hold themselves prepared to do so. For the present, and in accordance with what they gather to be his Lordship's views, they consider this matter at an end.

It becomes my duty, then, to answer Earl Granville's question (1), whether the Committee have any objections, either of principle or of detail, to make to the "counter-proposals" of Sir G. Cartier and Mr. M'Dougall, and (2), what course the Company would propose to take for securing that life and property are adequately protected, and international obligations duly performed in their territory, so long as they remain responsible for its government.

With regard to the first of the two counter-proposals, viz., that the sovereignty of the whole of the territory in question should be immediately transferred to the Dominion Government, "subject to the rights of the Company," the committee desire to ask whether it is intended that the rights of the Company should be ascertained and defined before the transfer takes place, or after it. If the former

former be Earl Granville's intention, the Committee have no kind of objection to offer to the proposal; but if it be meant that the transfer should take place first, and that the rights of the Company should then be made the subject of litigation in Canada, with a right of appeal to the courts of this country; I must remark that such a course is likely to lead to much inconvenience, expense, and annoyance to all parties concerned, as well as to prove detrimental to the interests of the settlement itself, by the prolongation of an irritating and disturbing controversy. As regards the injustice to this Company involved in such a proposal, I beg leave to refer Earl Granville to Sir E. Head's letter of the 25th January 1868,* to the Duke of Buckingham and Chandos, in which a similar proposal is very ably discussed, and to which, and to the extracts from speeches delivered in the Canadian Parliament, which it encloses, the Committee desire to invite Earl Granville's particular attention.

* Page 17.

The second counter-proposal is, for a transfer to the Dominion Government of both the sovereignty and the property of "all the territory not heretofore validly granted to, and now properly held by the Company under its Charter." Upon this proposal also, the Committee desire respectfully to ask whether the limits of the territory so to be transferred, are to be distinctly set out in the instrument of transfer, so that there may be no room for disputes as to the limits of the respective jurisdictions. Even with the utmost care in this respect, the Committee cannot but feel apprehensive that difficulties will arise in dealings with the Indians, and with the various classes of hunters and traders frequenting those distant regions, if two different systems of administration are introduced into those portions of the extreme North Western Territory, which would be affected by the proposed transfer; especially as the great distance of that territory from Canada, and the difficulty of the communications, will render its administration by the Dominion Government very troublesome. Should, however, Her Majesty's Government decide on this measure, the Committee will do all in their power to arrive at a good understanding with the Dominion Government as to the details of the arrangements which should be made in the two portions of the now united territory, and to facilitate the establishment of a strong administrative system in both.

As regards any transfer of the sovereignty without a distinct definition of the limits to be assigned to it, and by virtue merely of vague general words, the Committee feel that they need not point out to Earl Granville that such a step would not only be open to the objections which I have already mentioned in the case of the former counter-proposal, but to the further and very serious one that it must lead to constant conflicts of authority, and to frequent political embarrassments.

The Company can hardly be expected to provide for the security of life and property, and the due performance of international obligations, if their boundary is left unsettled, and their title to important parts of their territory unrecognised. It is, probably, unnecessary for me to pursue this argument at any length.

I have now to advert to the last question put by Earl Granville—that relating to the course which the Company would propose to take for the government of their territory so long as they remain responsible for it. The Committee desire me in the first place to remind his Lordship that they have no authority to give a pledge on the part of the shareholders of the Company, and that they can only undertake to submit certain proposals to them, and to use their own influence to secure their adoption.

Subject to this reservation, the Committee are prepared to enter at once into free communication with Earl Granville as to the measures which should be adopted for the purpose to which he adverts. As his Lordship is aware, a resolution was agreed to by this Committee, as long ago as in August 1863, to the effect that, in the opinion of the directors, it was expedient that the authority, executive and judicial, over the Red River Settlement and the south-western portion of Rupert's Land should be vested in officers deriving such authority directly from the Crown, and exercising it in the name of Her Majesty.

In adopting this resolution, the Committee intended to indicate their desire for the establishment of a Crown Colony in this portion of their territory. They still believe that this would be the most satisfactory plan that could be pursued, and they are prepared to discuss it with Her Majesty's Government if they are encouraged to do so.

I am to state that the Committee would be willing either to advise the sur-

render of such proportion of the Company's proprietary rights as might be found to be a fair equivalent for the charge which the establishment of a Crown Colony would throw upon the Imperial Exchequer, or to recommend the Company, retaining its proprietary rights, to take upon itself the whole of the pecuniary burden. The Committee are satisfied that a territory which, in the present undeveloped state of its communications, supports a trade of the annual value of more than 400,000 £, and which possesses a large amount of highly fertile soil, requiring no great expenditure for its clearance and cultivation, is perfectly capable of supporting the expense of any government that it may be required to maintain; and they have little doubt that, if the state of the case were fairly laid before the shareholders, and if the moral support of the Imperial Government were distinctly assured to them, the necessary funds would readily be forthcoming.

Of course if Her Majesty's Government should be of opinion that the great objects in view could be equally well attained by the exercise of the powers actually possessed by, or which might be granted to, the Company, and should consider that it would be preferable to adopt this method of government rather than to erect the territory into a Crown Colony, the Committee would at once fall in with such a suggestion, and would request Earl Granville to state to them what establishments would, in the opinion of Her Majesty's Government, be sufficient to meet the necessities of the case.

It can hardly be necessary for me to add that in the event of such an arrangement being made, the Company would rely upon the cordial co-operation of the Government in submitting any needful measure to Parliament, and in protecting the Settlement from any trespass or interference on the part of Canada.

In conclusion, I am to observe that it is on many accounts important that the directors of this Company should soon communicate to the shareholders the progress of this negotiation, and should lay the correspondence before them. They trust that Earl Granville will have no objection to their doing so.

I have, &c.
(signed) *Stafford H. Northcote*,
Governor.

— No. 21. —

No. 21.
Sir Frederic
Rogers, Bart.,
to the Right Hon.
Sir Stafford
Northcote, M.P.
9 March 1869.

COPY of a LETTER from *Sir Frederic Rogers*, Bart., to the Right Hon.
Sir Stafford H. Northcote, M.P.

Sir,

Downing-street, 9 March 1869.

EARL GRANVILLE has had under review the correspondence which has passed respecting the proposed transfer to Canada of the jurisdiction and territorial rights of the Hudson's Bay Company in North America.

It is, in Lord Granville's opinion, of very great importance that this question should be settled on a permanent footing, and with little delay. He does not disguise the interest which Her Majesty's Government have in this Settlement. It is not creditable to this country that any inhabited part of Her Majesty's dominions should be without a recognised government, capable of enforcing the law, and responsible to neighbouring countries for the performance of international obligations. The toleration of such a state of things in parts of the Hudson's Bay Company's Territory, is unjust to the inhabitants of that territory, and is not without danger to the peaceful relations between this country and the United States, and this danger and injustice are likely to increase in proportion as the mining and agricultural capabilities of what is called the "Fertile Belt," begin to attract settlers from the east and south.

To Canada the settlement of the question is not less important, as removing a cause of irritation between it and its neighbours, and even with the mother country itself, as destroying an obstacle to that which has been looked upon as the natural growth of the Dominion, as likely to open an indefinite prospect of employment to Canadian labour and enterprise, and lastly as enlarging the inducements which Canada is able to offer to the British immigrant. It is no small matter that it would enable Her Majesty's Government at once to annex

to

to the Dominion, the whole of British North America proper, except the colony of British Columbia.

To the Hudson's Bay Company, it may almost be said to be necessary. At present the very foundations of the Company's title are not undisputed. The boundaries of its territory are open to questions of which it is impossible to ignore the importance. Its legal rights, whatever those may be, are liable to be invaded without law, by a mass of Canadian and American settlers, whose occupation of the country on any terms they will be little able to resist, while it can hardly be alleged that either the terms of the Charter, or their internal constitution are such as to qualify them under all these disadvantages, for maintaining order, and performing the internal and external duties of government.

The prejudicial effect that all these uncertainties must have on the value of the Company's property is but too evident.

The interest of all parties thus evidently pointed towards an immediate and definite adjustment, Lord Granville has been most unwilling to abandon the hope of bringing it about, by way of amicable compromise. He is fully alive to the difficulties of such a compromise. He does not conceal from himself that the estimate which the Company form of the nature and value of their rights, is widely different from that which is formed by the gentlemen who represent Canada. Nor can he undertake to express any opinion whatever, as to the relative correctness of those estimates. Indeed it would be impossible to do so without knowing to what extent the claims of the Company would be supported by the judgment of a court of law.

But after repeated communications with both parties his Lordship is convinced that he will be serving the interests of the Dominion, of the Company, and of this country, by laying before the Canadian representatives and the directors of the Company a distinct proposal which, as it appears to be, it is for the interest of both parties to accept, and in support of which Her Majesty's Government would be prepared to use all the influence which they could legitimately exercise.

If the proposal is really an impartial one, Lord Granville cannot expect that it will be otherwise than unacceptable to both of the parties concerned. But he is not without hope that both may find, on consideration, that if it does not give them all that they conceive to be their due, it secures to them what is politically or commercially necessary, and places them at once in a position of greater advantage with reference to their peculiar objects than that which they at present occupy.

The terms which his Lordship now proposes, are as follows :—

1. The Hudson's Bay Company to surrender to Her Majesty all the rights of government, property, &c., in Rupert's Land, which are specified in 31 & 32 Vict. c. 105, s. 4, and also all similar rights in any other part of British North America, not comprised in Rupert's Land, Canada, or British Columbia.

2. Canada is to pay to the Company 300,000 £. when Rupert's Land is transferred to the Dominion of Canada.

3. The Company may, within 12 months of the surrender, select a block of land adjoining each of its stations, within the limits specified in Article 1.

4. The size of the blocks is not to exceed acres in the Red River Territory, nor 3,000 acres beyond that territory, and the aggregate extent of the blocks is not to exceed 50,000 acres.

5. So far as the configuration of the country admits, the blocks are to be in the shape of parallelograms, of which the length is not more than double the breadth.

6. The Hudson's Bay Company may, for 50 years after the surrender, claim in any township or district within the Fertile Belt, in which land is set out for settlement, grants of land not exceeding one-twentieth part of the land so set out. The blocks so granted, to be determined by lot, and the Hudson's Bay Company to pay a rateable share of the survey expenses not exceeding an acre.

7. For the purpose of the present agreement, the Fertile Belt is to be bounded

as follows:—On the south by the United States boundary, on the west by the Rocky Mountains, on the north by the northern branch of the Saskatchewan, on the east by Lake Winnipeg, the Lake of Woods, and the waters connecting them.

8. All titles to land, up to the 8th March 1869, conferred by the Company, are to be confirmed.

9. The Company is to be at liberty to carry on its trade without hindrance in its corporate capacity, and no exceptional tax is to be placed on the Company's land, trade, or servants, nor any impost duty on goods introduced by them previous to the surrender.

10. Canada is to take over the materials of the electric telegraph at cost price; such price including transport, but not including interest for money, and subject to a deduction for ascertained deterioration.

11. The Company's claim to land under agreement of Messrs. Vankoughnet & Hopkins to be withdrawn.

12. The details of this arrangement, including the filling up the blanks in Articles 4 and 6, to be settled at once by mutual agreement.

It is due both to the representatives of Canada and to the Company to add, that these terms are not intended by Lord Granville as the basis of further negotiation, but a final effort to effect that amicable accommodation, of which he has almost despaired, but which he believes will be for the ultimate interest of all parties.

If this be rejected, either on behalf of the Company or on behalf of the Dominion, his Lordship considers that his next step must be to procure an authoritative decision as to the rights of the Crown and the Company, and with this object he will recommend Her Majesty to refer their rights for examination to the Judicial Committee of the Privy Council, whose decision will form a basis for any future legislative or executive action which Her Majesty's Government may find necessary.

Whatever may be the result of this proposal, his Lordship desires to express his sense of the openness and courtesy which he has experienced throughout these negotiations, both from the representatives of Canada and from the Governor and Deputy Governor of the Company, and the patience with which they have entertained proposals which, from their point of view, must no doubt have appeared inadequate.

Lord Granville is aware that a proposal of this kind will require consideration, but he hopes that you will lose no time beyond what is necessary in acquainting him with your decision.

I am, &c.
(signed) *Frederic Rogers.*

— No. 22. —

No 22.
Right Hon. Sir
Stafford H. North-
cote, Bart., to Sir
Frederic Rogers,
Bart.

22 March 1869.

* Page 40.

COPY of a LETTER from the Right Hon. Sir *Stafford H. Northcote*, Bart., to
Sir *Frederic Rogers*, Bart.

Hudson's Bay House, London,
22 March 1869.

Sir,

IN reply to your letter of the 9th instant,* transmitting the terms of a proposal which Earl Granville recommends for the adoption of this Company, and of the Canadian representatives, I have the honour to inform you that the Committee have given their most careful consideration to that proposal, and that they have been in communication with the Canadian Ministers on some points connected with it, and I am to transmit to you a copy of the correspondence which has taken place with them.

The Committee have summoned a special general court of the proprietors on Wednesday next to consider the proposed terms, and they have come to a resolution that they will recommend the court to adopt the proposal.

I am

I am desired by the Committee to invite Earl Granville's attention to the 6th of the resolutions adopted at their meeting on the 12th instant, relating to the salary of the Bishop of Rupert's Land, and to the observations of the Canadian representatives thereon.

The Committee, while acknowledging the force of the objections urged by the Canadian Ministers to the endowment, out of the public revenues of Canada, of an Anglican Bishopric of Rupert's Land, desire to point out to Earl Granville that the Hudson's Bay Company have entered into a legal contract, in their capacity of owners of the territory which is now to be transferred to Canada, by which they are bound to continue this endowment in perpetuity. It is manifestly reasonable that on ceding the territory they should be relieved of this obligation; and the Committee desire me to suggest for Earl Granville's consideration, that the object might be attained in the simplest manner, by Canada consenting to pay to the Company a fixed sum, as a compensation for vested interests, or under any other name that might be preferred, which sum the Company would invest for the support of the bishopric.

I have, &c.
(signed) *Stafford H. Northcote,*
Governor.

Enclosure in No. 22.

My dear Sir George Cartier, 86, Harley-street, 11 March 1869. Encl. in No. 22.
THE directors of the Hudson's Bay Company have held a meeting to-day to consider Lord Granville's letter. Before, however, they can form a judgment on his proposals, they are anxious to have some explanation on points which do not appear very clear to them.

Without entering into the question of the value of their territory for purposes of colonisation, they feel that its possession is of very great value to the Company as a basis for the promotion of their trade, and they are anxious to satisfy themselves that, if it is surrendered, some adequate security will be afforded for their trading interests.

The two points upon which we are anxious for information are these: first, what will be the position of the Company with reference to the territory lying outside the Fertile Belt; and, secondly, what will be the nature and probable limit of the burdens which will be laid upon our property within that district.

Regarding the country lying outside the Fertile Belt as a hunting ground alone, we presume: 1st. That we shall be at liberty to hunt over it freely, and without being subjected to any license, tax, or other similar impost; 2nd. That we shall be granted a title to our posts, and to such adjoining land as may be necessary for their maintenance, and for supplying pasture and wood; 3rd. That we shall be allowed to cut such wood as we may require in any part of the territory.

In addition to these rights, we should much like to suggest that it would be for the interest of the Company, and still more for that of Canada, that Canada should give us for a limited period some special control over the importations into the hunting country, so as to enable us to keep spirits from the Indians.

With regard to the taxes which may be laid on our lands within the Fertile Belt, we presume that with respect to their wild and unsold lands, the Company will stand on the same footing as the Canadian Government, that is to say, on the footing of a proprietor and not of an alienee, and will therefore not be subject to taxation until the land is sold or brought into cultivation.

Can you let me have an answer to this letter before 12 o'clock to-morrow, as we are to hold a meeting at two to consider the question further?

I remain, &c.
(signed) *Stafford H. Northcote.*

Sir George E. Cartier, Bart.

Dear Sir George Cartier, Hudson's Bay House, 12 March 1869.
I AM desired by the Committee of this Company to forward to you a copy of the inclosed resolutions, which have been adopted at our meeting to-day, and to request that you will favour me with an answer, which I may lay before the Committee at their meeting on Tuesday next.

I remain, &c.
(signed) *Stafford H. Northcote.*

At a Special Committee held on the 12th of March 1869, at the Hudson's Bay House, to reconsider Letter from Sir Frederic Rogers, Bart., dated Downing-street, 9th March 1869:

The Governor reported that Sir G. Cartier and Mr. M'Dougall had explained to him the system of municipal taxation to which the Company would be subject in respect of their lands.

Resolved,—That this Committee will recommend the shareholders to accept the proposal of Lord Granville, if the Canadian Ministers will agree to the following modifications:

1. That Canada will lay no export duty on furs.
2. That the 6th Article be modified so as to allow the Company to defer exercising their right of claiming their proportion of each township for not more than 10 years after it is set up.
3. That no charge be made upon the Company for the expenses of survey.
4. That the proportion of land which they are allowed to claim be increased from one-twentieth to one-tenth.
5. That York and Moose factories be retained as ports of entry.
6. That Canada undertakes to pay the 300 *l.* a year now paid to the Bishop of Rupert's Land, and other charges of a public character now borne by the Company.
7. That some provision be made for referring to arbitration any question which may arise out of the agreement.

To Sir Stafford Northcote, M.P., Governor.

Westminster Palace Hotel, London,
15 March 1869.

Sir,

WE have the honour to acknowledge the receipt of a copy of certain resolutions adopted by the Governor and Committee of the Hudson's Bay Company on the 12th instant, suggesting important modifications of the proposal of Lord Granville for the transfer of Rupert's Land to Canada.

We beg you will inform the Committee that in our opinion the proposal of Lord Granville is much more favourable to the Hudson's Bay Company than any previous proposal of the Imperial Government, and much more onerous to Canada than its Government and people have been led to expect. With great reluctance, we have consented to recommend Lord Granville's proposal, if accepted by the Company *pure et simple*, but not otherwise, to the favourable consideration of the Canadian Government. The modifications and additions proposed by the Committee are not, in our judgment, "details" within the purview of the 12th Article of Lord Granville's proposal, but substantive and material changes, affecting the very basis of the arrangement. We cannot, therefore, assent to them, or undertake to recommend their acceptance by the Canadian Government.

We have further to observe that, in making these demands upon us, the Committee assume that the changes they propose will be accepted or approved by the Imperial Government. If we are correctly advised, the Committee are not warranted to make that assumption. In the letter of Sir Frederic Rogers, communicating to us a copy of Lord Granville's proposal, we are assured that it conveys "the views of Her Majesty's Government," and in the letter conveying these views to the Company, it is stated that "these terms are not intended by Lord Granville as the basis of further negotiations." It follows, we think, that Lord Granville's proposal is to be regarded as the *ultimatum* of the Imperial Government, and must be accepted or rejected in its entirety. The Act 31 & 32 Vict. c. 105 (which was not introduced at the instance, or passed in the interest of the Canadian Government), placed the negotiation of the terms of surrender by the Company to the Crown in the hands of Her Majesty's Imperial Government, where, until the Act is repealed or the negotiation fails, we are of opinion it must remain.

We shall be glad to confer with you upon all questions of "detail" which, by the terms of Lord Granville's proposal, are left to be adjusted between the Canadian Government and the Hudson's Bay Company.

We have, &c.
(signed) Geo. E. Cartier.
Wm. M'Dougall.

To Sir G. E. Cartier, Bart., and the Hon. William M. Dougall, C.B.

Hudson's Bay House, London,

16 March 1869.

Gentlemen,

I HAVE the honour to acknowledge the receipt of your letter of yesterday's date, in reply to my letter to Sir G. Cartier, in which I enclosed to you a copy of the resolutions adopted at the meeting of the Committee of the Hudson's Bay Company on the 12th inst.

It is unnecessary for me to enter into the question you raise as to whether Earl Granville would or would not accept any modifications of the terms set forth in his Lordship's recent communication to this Committee, if they should be agreed to by this Committee on the one hand, and by yourselves on the other. While stating that he regarded those terms as not being intended as the basis of further negotiations, Lord Granville added that he left the details of the arrangement to be settled by mutual consent. The greater part of the resolutions transmitted to you in my letter of the 12th, were resolutions intended to lead to a settlement of certain details, on which it will be necessary for the Committee to offer full explanation to the shareholders of the Company, if they decide on submitting Earl Granville's proposals to a general meeting.

If, in your opinion, any of them go further than this, the Committee will be ready to reconsider them, and to confer with you upon them.

As regards the resolution, by which the Committee proposed that the amount of land to be left to the Company should be one-tenth instead of one-twentieth, I am to state that the Committee have rescinded that resolution.

They will await a communication from you with regard to the other resolutions, before coming to a conclusion as to the course they should adopt.

I am, &c.

(signed) *Stafford H. Northcote.*

To the Right Honourable Sir Stafford Northcote, Bart.

Sir,

Westminster Palace Hotel, 18 March 1869.

WE have the honour to acknowledge your letter of the 16th inst., in which you inform us that the Committee of the Hudson's Bay Company have rescinded the resolution adopted on the 12th inst., asking for one-tenth instead of one-twentieth, as proposed by Lord Granville, of the land which may be surveyed for settlement in the surrendered territory. You further state that if the other resolutions go further than the "details of the arrangement" left by Lord Granville to be "settled by mutual consent," the Committee are ready to reconsider them.

1. With reference to the first resolution, "That Canada will lay no export duty on furs," we beg you will inform the Committee that it is not the policy or the practice of the Canadian Government to resort to export duties as a source of revenue. We feel no hesitation in stating our firm belief that no such duties as the Committee wish to prohibit will be levied, but it would obviously be improper for us to consent to any arrangement that would fetter the free action of the Canadian Parliament in respect to modifications of the tariff which the future exigencies of the country may render necessary.

2. The proposal to modify the 6th Article, so as to permit the Company to defer the exercise of the right of claiming their proportion of lands in any township for a period of 10 years after survey, might, we think, be agreed to, on condition that they limit their claim to allotment from the lands which may be unsold at the time they declare their intention to take their proportion in that township.

3. The demand to be relieved from the expenses of survey, which Lord Granville proposed the Company should bear, is not, we think, a "detail" within the meaning of the 12th Article. But if it will remove the apprehension that charges under this stipulation may become excessive, we see no objection to a proviso that the expense to the Company for the survey of the lands allotted to them shall in no case exceed 10 cents. per acre.

4. We have no doubt that York and Moose factories will be retained as ports of entry, if goods continue to be imported there. But if, by the opening of interior communications, the trade should be diverted to other ports, it would not seem reasonable that the Government should be bound to maintain customs establishments at Hudson's Bay. The practice of the Canadian Government is to establish ports of entry wherever the interests of trade and commerce require them, and we do not therefore think it either necessary or expedient to make any stipulation on the subject.

5. The demand that the salary of the Anglican Bishop of Rupert's Land should hereafter be charged upon the Canadian Treasury, cannot be regarded as a "detail" within the 12th Article of Lord Granville's proposal. The surrender of the rights and powers of government by the Company will necessarily involve the assumption of "all charges of a public character" in the new government. But an agreement to continue the charges "now borne by the Company," *eo nomine*, would so far perpetuate a system, which the transfer of the territory to Canada is intended to supersede.

6. The last proposal of the Committee is open to very serious objections. The surrender of the powers of government and of territorial jurisdiction by the Company to the Crown, and the transfer of these powers to the Canadian Government, are acts of State, authorised by Imperial Statute, and will have all the force and permanence of fundamental law. The proposal to refer all questions which may arise under this law to some extra-constitutional tribunal is not warranted by the British North America Act, and would, we fear, if adopted, create confusion and embarrassment, and postpone indefinitely the establishment of a satisfactory government in Rupert's Land.

We must decline to admit, even by implication, that the judicial tribunals, and the general and local authorities of the Dominion, will fail to understand, or hesitate to respect and carry out in good faith, all the terms and conditions of the proposed arrangement

We have, &c.
(signed) Geo. E. Cartier.
Wm. M'Dougall.

— No. 23. —

No. 23.

Sir F. Rogers,
Bart., to the Right
Hon. Sir Stafford
H. Northcote,
Bart., M.P.
24 March 1869.
* Page 42.

COPY of a LETTER from Sir *Frederic Rogers*, Bart., to the Right Honourable
Sir *Stafford H. Northcote*, Bart., M.P.

Sir,

Downing-street, 24 March 1869.

I AM directed by Earl Granville to acknowledge the receipt of your letter of the 22nd instant.* As regards the payment of the salary of the Anglican Bishop of Rupert's Land, in the event of the transfer to Canada of the territorial rights of the Hudson's Bay Company. Lord Granville desires me to state that, having informed each party that his proposal was intended as final, and not as a basis for further negotiation, he is precluded from giving his sanction to any additional condition, unless agreed to by both sides, when, if not opposed to any general principle, he will be happy to concur.

I am, &c.
(signed) *Frederic Rogers*.

— No. 24. —

No. 24.

From Sir *Frederic Rogers*, Bart., to the Right Hon. Sir *Stafford H. Northcote*, Bart., M.P.
3 April 1869.

COPY of a LETTER from Sir *Frederic Rogers*, Bart., to the Right Honourable
Sir *Stafford H. Northcote*, Bart., M.P.

Sir,

Downing-street, 3 April 1869.

I AM directed by Earl Granville to enclose, for your information, a copy of a letter addressed by him to Sir G. Cartier and Mr. M'Dougall, and a letter which he has received from them in reply, in which they intimate their acceptance of the terms proposed to you and them for the surrender of the territorial and other rights of the Hudson's Bay Company in Rupert's Land.

I am to add that his Lordship has been informed, in conversation by these gentlemen, that they believe that the Canadian Government will agree to those terms, and have a confident hope that their Parliament will not reject them; and they added, that in the event of the transfer taking place, the Hudson's Bay Company might rely upon the justice and goodwill of the Government and Parliament of Canada.

I am, &c.
(signed) *Frederic Rogers*.

Sir F. Rogers to
Sir G. Cartier and
Mr. M'Dougall,
9 March 1869,
page 63.
Sir G. Cartier
and Mr. M'Dougall
to Sir F. Rogers,
27 March 1869,
page 64.

— No. 25. —

COPY of a LETTER from the Right Hon. Sir *Stafford H. Northcote*, Bart., M.P.,
to Sir *Frederic Rogers*, Bart.

No. 25.
Right Hon. Sir
Stafford H. North-
cote, Bart., M.P., to
Sir *Frederic*
Rogers, Bart.
10 April 1869.

Sir,
I HAVE the honour to acquaint you, for the information of Lord Granville, that at a meeting of the Hudson's Bay Company held on the 9th instant, the following resolution was adopted by a large majority of the proprietors specially summoned to consider the proposal contained in your letter of the 9th ultimo,* for the surrender of the Company's territory, &c. to Her Majesty:—

*Page 40.

"That it is expedient to accede to the terms proposed in the communication above referred to, and to surrender to Her Majesty all this Company's territorial rights in Rupert's Land, and in any other part of British North America not comprised in Rupert's Land, Canada, or British Columbia, and that the Governor and Committee be, and they are hereby authorised to make such surrender, on being assured that the terms have been agreed to by the Government and Parliament of Canada, provided that the acceptance of the terms by the Government and Parliament of Canada shall have been signified to them by Her Majesty's Secretary of State for the Colonies within six months after the passing of this resolution, and that for that purpose the Governor and Committee concur in all such measures as may be found necessary for effecting such surrender, and for securing to the Company the rights and reservations to which, by the terms of the letter from Sir *Frederic Rogers*, this Company will be entitled."

I have, &c.
(signed) *Stafford H. Northcote*, Governor.

— No. 26. —

COPY of a LETTER from Sir *Frederic Rogers*, Bart., to the Right Honourable
Sir *Stafford H. Northcote*, Bart., M.P.

No. 26.
Sir *Frederic*
Rogers, Bart., to
the Right Hon.
Sir *Stafford H.*
Northcote, Bart.,
M.P.
17 April 1869.
†Page 40.

Sir,
I AM directed by Earl Granville to acknowledge the receipt of your letter of the 10th instant, conveying the conditional acceptance by the Hudson's Bay Company of the terms proposed by his Lordship in the letter from this office of the 9th ult.,† for the transfer of the Company's territories to the Crown. His Lordship has received this announcement with great satisfaction, and has not failed to communicate it to the Governor General of Canada. He trusts that no long period may elapse before the conditions of settlement thus accepted by the Company will be adopted by the Parliament of Canada, and that the transfer which Her Majesty will then be authorised to effect, will prove a source of increasing prosperity both to the inhabitants of that Dominion and to the proprietors of the Hudson's Bay Company.

I have, &c.
(signed) *Frederic Rogers*.

— No. 27. —

COPY of a LETTER from the Right Honourable *W. Monsell*, M.P., to the
Right Honourable Sir *Stafford H. Northcote*, Bart., M.P.

No. 27.
Right Hon.
W. Monsell, M.P.,
to the Right Hon.
Sir *Stafford H.*
Northcote, Bart.
19 June 1869.

Sir,
I AM directed by Earl Granville to transmit to you, for your consideration, and for that of the Committee of the Hudson's Bay Company, the copy of a telegram which has been received to-day from the Governor General of Canada.

I am to state that Lord Granville would be glad if the Hudson's Bay Company can comply with the request preferred by the Canadian Government for permission to commence at once the proposed survey.

I am, &c.
(signed) *W. Monsell*.

Telegram.
(Received, 19 June
1869, page 9.)

— No. 28. —

No. 28.
Sir F. Sandford,
to the Hudson's
Bay Company.
6 August 1869.

COPY of a LETTER from Sir *Francis Sandford*, to the Secretary to the Hudson's Bay Company.

8 July 1869.

Sir, Downing-street, 6 August 1869.

I AM directed by Earl Granville to transmit to you, to be laid before the Governor and Directors of the Hudson's Bay Company, a copy of a letter from Mr. W. H. Stewart, enclosing a copy of a protest which he had forwarded to the Company against the surrender of their territory.

I have, &c.
(signed) *F. R. Sandford*.

Enclosure in No. 28.

Encl. in No. 28.

24, Oakley Square, Chelsea, S.W.,
8 July 1869.

My Lord,
The Committee of the Hudson's Bay Company having informed me that a surrender of the Company's territory is about to be made, I have forwarded to them a protest and notice (copy of which I enclose), and in order that Her Majesty's Government may be aware of the facts, and may have notice that the sale and surrender is objected to, and cannot legally be made, I beg to state as follows:—

I object to the sale, except at the price of 500,000 £, which is half the amount the territories were valued at.

That the Committee had no authority to negotiate a sale except upon such terms, or better, and that as they acted without the sanction of the proprietors, any agreement made by them is not binding.

That no sale of the territories of the Company can be made without the sanction of each and every proprietor, and that the Act of Parliament enabling a surrender does not avoid this necessity.

That if the Committee have stated that the majority of proprietors have agreed to the terms proposed, they have stated that which is incorrect.

1st. Because no legal meeting has been held.

2nd. Because the chairman neglected to put an amendment of mine to his own motion.

3rd. Because the vote was taken by a show of hands, though a ballot was duly demanded.

4th. Because the vote was not by persons who had held their stock six months, as required by the 7 Geo. 3, c. 48.

A protest setting forth all these objections was entered with the chairman at the meeting.

I also submit that no valid surrender can be made, because Earl Kimberley is the Governor, and not Sir Stafford Northcote, the former having been elected for the year 1869, and there being no power of resignation or re-election contained in the Charter.

I should have forwarded this letter sooner, but awaited the reply of the Canadian Parliament.

I have, &c.
The Right Hon. Earl Granville, K.G., (signed) *Wm. H. Stewart*,
Secretary for the Colonies. A proprietor of stock in the
Hudson's Bay Company.

To the Committee of the Hudson's Bay Company.

Gentlemen,

As the chairman informed the proprietors on the second instant that the Canadian Parliament had addressed Her Majesty on the subject of the acquisition of the Hudson's Bay Territories, I beg to give the Committee notice, that as a proprietor of stock in the said Company, I protest against the sale of the territorial rights of the Company, and against the Committee affixing, or causing to be affixed, the seal of the Corporation to any surrender, or other conveyance or document purporting to surrender the said territories, and that I shall hold the Committee, and each and every of them, responsible for any attempted surrender of the said territories, and for all loss, costs, damages, and expenses which may accrue, or to which I may be put, by reason of such surrender.

The grounds of my objection to such sale and surrender are as follows:—

1. Because the price is wholly inadequate.

2. Because

2. Because the then Governor and Committee, who were trustees for the proprietors, had to authority to negotiate for the sale of the said territory, and were guilty of a breach of trust in asking a sum of money much smaller in amount than the proprietors required, and in keeping this fact from the knowledge of the proprietors.

3. Because the proprietors of stock in a chartered company such as the Hudson's Bay, even if unanimous, have no power to dispose of their territories except by authority of Parliament.

4. Because the Act of Parliament enabling Her Majesty to accept a surrender of the territories in question, is merely permissive, and not obligatory on the Company, and expressly requires the assent, not of a majority, or of a portion of the proprietors, but of the whole body, "upon such terms and conditions as shall be agreed upon by the Governor and Company," are the words of the Act.

5. Because the Act of Parliament has not been complied with, inasmuch as the whole body of proprietors have not agreed to the terms, but, on the contrary, it is believed a large majority dissented therefrom.

6. Because, even supposing the majority could bind the minority, such majority of duly qualified voters has never been legally, or in fact obtained, inasmuch as the meeting at which the vote was taken was illegally convened and held; the pretended vote was by a show of hands, notwithstanding a ballot was demanded, as required under the Charter, nor was there any evidence that the parties holding up their hands were proprietors of stock, or, if proprietors, that they had held such stock for six calendar months prior to such vote, as required by the Act in such case made and provided, thus rendering the vote so taken void.

7. Because Sir Stafford Northcote is not the duly qualified Governor of the said Company, and any act done or performed by him, and the said Committee, on behalf of the said Company, is null and void, inasmuch as Earl Kimberley (if any) is the duly qualified Governor of the said Company for the present year 1869.

— No. 29. —

COPY of a LETTER from Sir *Stafford H. Northcote*, Bart., M. P., to
Sir *F. R. Sandford*.

Sir,

Pynes, Exeter, 9 August 1869.

I HAVE the honour to acknowledge the receipt of your letter of the 6th instant, transmitting a copy of a letter addressed to Earl Granville by Mr. W. H. Stewart, and of Mr. Stewart's protest against the surrender of the Hudson's Bay Territory.

I have, &c.
(signed) *Stafford H. Northcote*.

No. 29.
Sir *Stafford H.*
Northcote, Bart.,
M.P., to Sir *F. R.*
Sandford.
9 August 1869.

Correspondence between the Delegates from Canada and the Colonial Office.

— No. 1. —

No. 1.
Sir F. Rogers,
Bart., to Sir
G. E. Cartier,
Bart.
30 Dec. 1868.
22 Dec. 1868.
Page 31.

COPY of a LETTER from Sir *F. Rogers*, Bart., to Sir *G. E. Cartier*, Bart.

Downing-street, 30 December 1868.

Sir,
I AM directed by Earl Granville to transmit to you a copy of a letter which his Lordship has received from the Deputy Chairman of the Hudson's Bay Company, relating to some steps which have been taken under authority of the Canadian Government, and from which they apprehend some invasion of their territorial rights.

His Lordship will be glad to receive from you or from Mr. McDougall, any explanation with which you or he may be able to furnish him of the steps taken by the Canadian Government.

I am, &c.
(signed) *Frederic Rogers*.

— No. 2. —

No. 2.
Sir G. E. Cartier,
Bart., and W.
McDougall, Esq.,
c.s., to Sir
F. Rogers, Bart.
16 Jan. 1869.

COPY of a LETTER from Sir *G. E. Cartier*, Bart., and *W. McDougall*, Esq., c.s., to Sir *Frederic Rogers*, Bart.

Westminster Palace Hotel, London,
16 January 1869.

Sir,
WE have the honour to acknowledge receipt of your letter of the 30th ultimo (with its enclosure), stating that you were directed by Earl Granville to transmit to us a copy of a letter, which his Lordship had received from the Deputy Chairman of the Hudson Bay Company, relating to some steps which have been taken under the authority of the Canadian Government, and from which the Company apprehend some invasion of their territorial rights.

You inform us that his Lordship will be glad to receive from us any explanation which we may be able to furnish him of the steps taken by the Canadian Government.

We have read the letter of the deputy chairman, and extracts from the letters of Governor McTavish, and have much pleasure in being able to furnish his Lordship with what we hope will prove satisfactory information, on the subject of the Hudson Bay Company's complaint.

1. In the month of September last, very precise information reached the Canadian Government, that in consequence of the complete destruction of their crops by locusts, the people of the Red River Settlement, numbering probably from 12,000 to 15,000 souls, were in imminent danger of starvation during the winter about to set in.

2. Numerous and earnest appeals for aid had already been made to the Canadian public by writers in the newspapers, and by clergymen and others acquainted with the country. The Right Rev. Robert Machray, Lord Bishop of Rupert's Land, a member of the Council of Assinaboia, and so far a representative of the Company, visited Ottawa, and urged upon members of the Canadian Government the duty of prompt assistance to avert the threatened calamity.

3. No steps had then been taken (so far as the Government could learn) by the Hudson Bay Company to provide supplies, and aware that a few days delay
at

at that season might render it impossible to get provisions to Red River in time to afford relief, the Canadian Government appropriated the sum of twenty thousand dollars (\$20,000) towards the construction of a road from Lake of the Woods to Fort Garry. The Minister of Public Works (one of the undersigned) was directed to expend the principal part of this sum in the purchase of provisions, which were to be forwarded with all possible dispatch to the Red River Settlement, and offered to the settlers, not as alms, but in exchange for their labour on a public work in their own vicinity, and of the highest utility to their Settlement.

4. A confidential and experienced agent proceeded at once to Saint Paul's, Minnesota, and succeeded in forwarding a considerable supply of provisions before the close of navigation; a further quantity has reached Fort Abercrombie, an American post in Dakota Territory, from which point it can be sent to the Settlement early in the spring.

5. Information has reached the undersigned since their arrival in England, that the Government agent had, in accordance with his instructions, conferred with the local authorities on his arrival at Fort Garry, that he had received their approval and promise of assistance, that his timely aid was a cause of much joy and thankfulness in the Settlement, and that he had proceeded with a large force of labourers to the limit of the prairie country, some 30 miles from Fort Garry towards Lake of the Woods, and there commenced the construction of the road.

6. The immediate object of the Canadian Government in taking the steps complained of, was to supply food to a starving community, about to be imprisoned for six months in the heart of a great wilderness, without roads or means of communication with their fellow subjects, and to supply it in the way most acceptable to a high spirited people, viz., in exchange for their labour. It was thought that even the Hudson Bay Company might look with favour upon a public work, which, when completed, will prove a valuable protection to those under their government, against similar dangers in the future. On behalf of the Canadian Government, we deny that a "trespass" has been committed, or that our action in this matter was intended to forestal or embarrass negotiations which the Imperial Parliament had directed to be undertaken for the transfer of the North Western Territory and Rupert's Land to the Dominion of Canada.

The foregoing explanation may, perhaps, be deemed sufficient to enable Earl Granville to answer the complaint of the Hudson Bay Company against the Canadian Government, but the undersigned beg leave to add one or two observations, which, in their opinion, this extraordinary demand for "the intervention of Her Majesty's Government," both invites and justifies. If the Hudson Bay Company, who claim the right to hold and govern the territory in which the alleged "trespass" has taken place, had performed the first duty of a Government towards its people, by providing them with easy means of communication with the outer world; or, if they had shown themselves either able, or willing, to meet the threatened calamity by a prompt effort to forward sufficient supplies to the Settlement before the close of navigation, the Canadian Government would have rested happy in the belief that neither humanity, nor public policy, required or justified their interference.

The assertion of the Deputy Governor of the Hudson Bay Company, that the country between Lake of the Woods and Red River is "the freehold territory of the Company," and that the so-called "trespass" of the Canadian Government in sending provisions to the starving settlers and assisting them to make a road for their own convenience and safety hereafter, is "an actual encroachment on the soil of the Company," might, if unnoticed by us, be claimed as another proof or admission of the rights of the Company in that part of the continent; we, therefore, beg to remind his Lordship that the boundaries of Upper Canada, on the north and west, were declared, under the authority of the Constitutional Act of 1791, to include "all the territory to the westward and southward" of the "boundary line of Hudson's Bay," "to the utmost extent of the country commonly called or known by the name of Canada." Whatever doubt may exist as to the "utmost extent" of Old or French Canada, no impartial investigator of the evidence in the case can doubt that it extended to, and included, the country between Lake of the Woods and Red River.

The Government of Canada, therefore, does not admit, but on the contrary denies, and has always denied, the pretensions of the Hudson's Bay Company to any right of soil, beyond that of squatters, in the territory through which the road complained of is being constructed.

We have, &c.
(signed) *Geo. E. Cartier.*
Wm. McDougall.

— No. 3. —

No. 3.
Sir F. Rogers, Bart., to Sir G. E. Cartier, Bart., and W. M'Dougall, Esq., c.B.
18 January 1869.

COPY of a LETTER from Sir *Frederic Rogers*, Bart., to Sir *G. E. Cartier*, Bart., and *W. M'Dougall*, Esq., c.B.

Gentlemen, Downing-street, 18 January 1869.

I AM directed by Earl Granville to transmit to you, for any observations which you may wish to offer upon it, the enclosed copy of a letter from the Hudson's Bay Company, in answer to the proposals made to them by the Duke of Buckingham and Chandos in the letter from this department of the 1st of December* last, with respect to the proposed cession to the Crown of the Company's territorial rights in British North America.

13 January 1869.
Page 32.

*Page 27.

I am, &c.
(signed) *Frederic Rogers.*

— No. 4. —

No. 4.
Sir G. E. Cartier, Bart., and W. M'Dougall, Esq., c.B., to Sir F. Rogers, Bart.
9 February 1869.

COPY of a LETTER from Sir *G. E. Cartier*, Bart., and *W. M'Dougall*, Esq., c.B., to Sir *Frederic Rogers*, Bart.

Sir, Westminster Palace Hotel, 9 February 1869.

WE have the honour to acknowledge the receipt of your letter of the 18th ultimo, enclosing a copy of Sir Stafford Northcote's letter of the 13th ultimo, in reply to proposals made to the Hudson's Bay Company for the cession to the Crown of their territorial rights in British America, by his Grace the Duke of Buckingham and Chandos, in the letter of Mr. Adderley of the 1st December last.

You state that Earl Granville directed you to transmit this document to us for any observations which we may wish to offer upon it. His Lordship's courtesy and consideration in sending us a copy of Sir Stafford Northcote's letter, and inviting us to express our views upon it, are gratefully acknowledged, but upon reflection, we thought it would be expedient to refrain from any formal expression of our opinion on new and indefinite propositions, until we had received some intimation of the view which his Lordship was likely himself to take of them, or of the policy in respect to the general question, which Her Majesty's present advisers intend to adopt.

At an interview with which we were favoured by Earl Granville on the 26th ultimo, he expressed his preference for a less complicated mode of dealing with the Hudson's Bay question than that proposed by the Duke of Buckingham and Chandos, and requested us to communicate to him our observations on the reply of Sir Stafford Northcote, and especially on the proposition with which his letter concludes, viz., that the Canadian Government should "complete the purchase" of the territory at once, by the payment of a sum of money, or by the delivery "of bonds."

As we have had but few opportunities to confer with his Lordship since his accession to office, it may be proper, before considering Sir Stafford Northcote's letter, to state the position of the Canadian Government, as we apprehend it, in this negotiation.

The British North America Act, 1867, affirmed the policy of uniting under one Government, all the Colonies, Provinces, and Territories of British North America. Three Provinces were united at once, and provision was made by the

146th section, for the admission into the union of the remaining colonies, on Address to Her Majesty by their respective Legislatures, and the Parliament of Canada. The North West Territories and Rupert's Land, or either of them, are to be admitted on the Address of the Parliament of Canada alone, and on such terms and conditions as the Canadian Parliament may in its Address express, and Her Majesty approve.

In pursuance of the policy of the Imperial Parliament thus distinctly affirmed, the Canadian Parliament at its first Session, under the new constitution, adopted an Address to Her Majesty for the incorporation of the North West Territory and Rupert's Land with the Dominion of Canada. The terms and conditions expressed in the Address were,—

1st. That Canada should undertake the duties and obligations of Government and Legislation in respect of those territories.

2nd. That the legal rights of any corporation, company, or individual within the territories should be respected, and that provision should be made for that purpose by placing those rights under the protection of Courts of competent jurisdiction.

3rd. That the claims of the Indian tribes to compensation for lands required for purposes of settlement, should be considered and settled in conformity with the equitable principles which have uniformly governed the British Crown in its dealings with the Aborigines.

The above were the only terms and conditions which, in the opinion of the Canadian Parliament, it was expedient to insert in the Order in Council, authorised by the 146th section.

His Grace the Duke of Buckingham and Chandos, on receiving the Address of the Canadian Parliament, consulted the Law Officers of the Crown, who advised, among other things, that "there would be much difficulty created by the existence of the Charter" of the Hudson's Bay Company "to putting into execution the powers of the 140th (146th) section of the British America Act, 1867, assuming that the Hudson's Bay Company were adverse to the union."

A Bill was thereupon carried through the Imperial Parliament apparently to remove the "difficulties" which the Law Officers had discovered. It reverses the order of procedure contemplated by the Act of 1867, and observed by the Canadian Parliament in its Address, and makes the *assent* of the Company a condition precedent to the transfer.

The Canadian Government were not consulted as to the terms of this Act; they could not understand why it was necessary, and greatly doubted the expediency of passing it.

The Duke of Buckingham and Chandos having opened negotiations with the Hudson's Bay Company under the authority of the Act last mentioned, invited a delegation from the Canadian Government to confer with him in this country.

The undersigned, duly commissioned for that purpose, repaired to London in October last, and had frequent interviews with his Grace before his retirement from office.

The proposals submitted to the Company by the late Government in the letter of Mr. Adderley of the 1st December last,* were not made at our suggestion, although we were disposed to think (and so informed his Grace), that if the Company accepted them, the Canadian Parliament might be persuaded to undertake the duties of legislation and government in the territories, on the conditions specified.

The Company, through Sir Stafford Northcote, have declined to accept either the principle or the mode of settlement proposed by the late Government, but suggest a new and summary method of closing the negotiations, by demanding that the Canadian Government should, by a payment in cash or bonds, "complete the purchase of the territory at once." No sum is mentioned, and no date given from which it can be inferred.

Under these circumstances we are asked, as representatives of the Canadian Government, to communicate to Earl Granville any observations we may wish to offer on this reply and proposition of the Company.

His Lordship will readily perceive from the foregoing recital, that as representatives of the Canadian Government, we are in the position of spectators of a negotiation, begun and carried on upon principles and under conditions to which

we are strangers, rather than that of assenting principals, responsible for its initiation, and bound by its results.

Without undertaking, therefore, that our views on every point will be approved by the Canadian Government, we proceed most respectfully to offer a few observations on Sir Stafford Northcote's reply to the recent proposals of the Imperial Government.

It will be observed that two things are assumed in these proposals to the Company, which the Canadian Government has always disputed:—

1st. That the Charter of Charles II. is still valid, and grants the right of soil or freehold of Rupert's Land to the Company.

2nd. That Rupert's Land includes the so-called "Fertile Belt," extending from the Lake of the Woods to the Rocky Mountains.

The Law Officers of the Crown in England have, on two or three occasions, given their opinion in favour of the first assumption, but never, so far as we are aware, in favour of the second. The report of the Law Officers in 1857, admits that the geographical extent of the territory granted must be determined by excluding the country that "could have been rightfully claimed by the French "as falling within the boundaries of Canada" (which the Charter itself excludes by express words) and states that "the assertion of ownership on important public occasions, as at the Treaties of Ryswick and Utrecht" should be considered, and also "the effect of the Acts of 1774 and 1791." The most recent opinion of the Law Officers of the Crown, which we have seen (6th January 1868), as to the rights of the Hudson's Bay Company, does not even by implication, support their present claim to the fee-simple of nearly one-third of the American continent. On the contrary, Sir John Karslake and his colleagues, conclude their report with the emphatic statement, that it is "very necessary before any union "of Rupert's Land with Canada is effected, that the true limits of the territory "and possessions held under the Charter should be accurately defined." An assumption, therefore, which covers so much ground, and is unsupported by any competent legal authority, which ignores the repeated protests and claims of Canada, and seeks to supply a basis upon which a surrender for valuable consideration may be made, is, to say the least, a most favourable assumption for the Company. We notice these points in Mr. Adderley's letter before remarking on Sir Stafford Northcote's reply to prevent the possible inference that we have acquiesced in them.

Sir Stafford Northcote assures Lord Granville that the Company "continue "sincerely anxious to promote the object, with a view to which the Company "was re-constructed five-and-a-half years ago, viz., the gradual settlement of such "portions of their territory as admit of colonisation." It would be tedious to quote the numerous and positive averments by members and governors of the Hudson's Bay Company in the course of official enquiries during the last 50 years, that their territories (in which they include the Red River and the Saskatchewan districts) are totally unfit for colonisation. The evidence of Sir George Simpson before the House of Commons' Committee of 1857, is a fair sample of the views heretofore entertained and avowed by the representatives of the Company (*see Commons' Report 1857, questions 716, 718, 719, &c.*). Mr. Ellice, for many years the ruling spirit of the Company, declared before the same Committee, that the Red River Settlement was an "unwise speculation," and "had failed;" that "the climate is not favourable;" that the Saskatchewan is a country capable of settlement only when "the population of America becomes so "dense that they are forced into situations less fit for settlement than those they "occupy now;" that the winters are "rigorous," and the country badly off for "fuel," &c.

With such views of the unfitness of the country for settlement, and avowing their belief that colonisation and the fur trade could not exist together, it is not surprising that the Company have always cherished the latter, which was profitable, and discouraged, and as far as possible prevented the former, which had proved an "unwise speculation." It is true that the Company was "reconstructed" in 1863, with loud promises of a new policy. A great road across the Continent was to be made; a telegraph line was to be put up, and emigration and colonisation developed on a large scale. The Duke of Newcastle, then Secretary of State for the Colonies, was so much impressed by the zeal and public

public spirit of the gentlemen who effected the re-construction, that he wrote Despatches to the Canadian Government on their behalf, and evidently believed that a new era was about to open in the North West, and the wild animals and fur traders retreat before the march of "European" settlers. The stock of the old Company, worth in the market about 1,000,000 £., was bought up, and by some process which we are unable to describe, became 2,000,000 £. A show of anxiety to open postal and telegraphic communication was made, and "Heads of proposals" were submitted to the Governments of Canada and British Columbia, which, on examination, were found to embrace a line of telegraph only, with the modest suggestion that the two Governments should guarantee the Company a profit of not less than four per cent. on their expenditure; a proposal so absurd could only have been made to be rejected, and it was rejected accordingly. The surplus capital of the re-constructed Company which was called up for the avowed purpose of opening their territories to "European" colonisation under a liberal and systematic scheme of land settlement, has never been applied to that purpose. Five and a half years have passed since the grand scheme was announced to the world, but no European emigrants have been sent out, no attempts to colonise have been made. Sir Stafford Northcote was not probably aware, when he vouched for the *bona fides* of the Hudson's Bay Company as promoters of colonisation, that a solemn vote of the shareholders was taken in the month of November 1866, which condemned and rejected the policy of colonisation absolutely and definitively.

While unable, for the reasons stated, to concur in Sir Stafford Northcote's assurance that the Hudson's Bay Company are anxious to promote colonisation, we are gratified to learn that they "adhere" to the resolution of 28th August 1863, that the time has come when it is expedient that "the authority, executive and judicial, over the Red River Settlement, and the south-western portion of "Rupert's Land should be vested in officers deriving such authority directly "from the Crown."

The first remark we have to make upon this reference to the resolution of 1863 is, that it admits the continued incapacity of the Company as a *governing* power; the second, that if this was true in 1863, if at that time it had become expedient to substitute the authority of the Crown for that of the Company, it is much more expedient, if not absolutely necessary now; the third, that if the Company are to be relieved of the duty and cost of government which their Charter imposes, and which they admit they do not and cannot properly discharge, "compensation" should be made, not to the Company, as is claimed, but by the Company to those who take the burden off their shoulders.

We confess we have failed to discover any evidence, and therefore cannot believe, that the Company has "cheerfully" accepted the decision of Her Majesty's Government, "that the whole of the Company's territory should, "under proper conditions, be united with Canada." A brief notice of the *acts* in contrast with the professions of the Company will, we think, account for the ill-success of our researches, and justify our incredulity.

The representatives of the Company, while declaring before the House of Commons' Committee in 1857 (as we have already shown), that their territories were "unfit for settlement," professed their readiness to surrender any portion of them that might be desired by the Imperial or Canadian Government for that purpose. Mr. Ellice declared, in the most unqualified terms, not only that the Company was willing to surrender, but that it was the duty of Government to see that no mere trading corporation obstructed "for one moment," nor to the extent of "one acre of land fit for settlement," the "dominion of the "actual settlers." (Commons' Report, 1857, questions 5859, 5860, and 5933.)

The Governor of the Company informed the Colonial Secretary (18th July 1857) that an inquiry into the "geographical extent of the territory granted by "their Charter," which the Law Officers had recommended, was of little importance, because, if the object of the inquiry was "to obtain from Canada land "fit for cultivation and the establishment of agricultural settlers, the Directors "are already prepared to recommend to the shareholders of the Company to cede "any lands which may be required for that purpose." "The terms of such "cession," he assured Mr. Labouchere, "would be a matter of no difficulty between Her Majesty's Government and the Company."

Mr. Ellice had previously told the House of Commons' Committee that the question of boundary was "of no importance at all," because if the "Province

" of Canada requires any part of the territory, or the *whole of it*, for purposes of settlement, it ought not to be permitted for one moment to remain in the hands of the Hudson's Bay Company." He added that "*less money* than would be spent in a litigation upon the subject would be sufficient to indemnify the Hudson's Bay Company for any claim which they could have on giving up any disputed part of their territory."

These assurances induced the Committee to negative propositions for ascertaining, by a judicial inquiry, the validity of the Charter or the position of boundaries, and to report in favour of annexing to Canada "such portion of the land in her neighbourhood as may be available to her for the purposes of settlement, with which she is willing to open and maintain communication, and for which she will provide the means of local administration." The Committee "trusted" that there would be "no difficulty in effecting arrangements as between Her Majesty's Government and the Hudson's Bay Company" for ceding the territory on "equitable principles."

It may be proper to remind Earl Granville that leading members of the Committee of 1857, taking the offers of the Company on the subject of colonisation to mean what the language of their representatives imported, strongly opposed the recommendation to leave the question open for "amicable adjustment," upon "equitable principles," with the certainty of protracted negotiation and a chance of ultimate disagreement; Mr. Gladstone accordingly submitted a resolution for a prompt and definitive settlement of the whole question. He proposed—

1st. "That the country capable of colonisation should be withdrawn from the jurisdiction of the Hudson's Bay Company."

2nd. "That the country incapable of colonisation should remain within their jurisdiction."

He proposed that in the country remaining within their jurisdiction power should be reserved to Her Majesty's Government to make grants "for the purposes of mines and fisheries, but with due regard to the immunities and trade of the Company." No "immunities" were even suggested, with respect to the country which was to be withdrawn for colonisation. He proposed to ignore the Charter by declaring that the jurisdiction of the Company "should rest, henceforth, upon the basis of statute." He quoted the Governor's letter above referred to "as an expression of the willingness of the Company to accept, in principle, the arrangement" he proposed, and ended with the suggestion that, "as the Company had tendered concessions which may prove sufficient to meet the case," no decision seemed necessary as to the question of raising "a judicial issue, with the view of ascertaining the legal rights of the Company." The propositions of Mr. Gladstone were only lost in the Committee by the casting vote of the Chairman.

Twelve years have passed since these offers were made by the Company, and accepted by a Committee of Parliament. Every Colonial Secretary from 1858 to the present moment has attempted to carry out the recommendation of the Committee, with the assent of the Company, but without success. Two Acts of the Imperial Parliament have been passed, with provisions to facilitate the arrangement, but are yet without fruit. Sir Edward Lytton Bulwer characterised the offers of the Company during his administration as "illusory," and declared that they "by no means met the exigencies of the case." He expressed his regret at a determination on their part which "retains the very difficulty in the way of speedy and amicable settlement, which he had sought to remove," and stated that if Canada declined to resort to "legal proceedings" (which he had recommended), "it would be his duty" to consider "whether negotiations with the Company can be resumed, or whether, in the last resort, Her Majesty's Government must take the matter into their own hands, and proceed on their own account" (Mr. Merivale's letter to H. H. Berens, 9th March 1859). Sir Edward remained in office long enough to put an end to the Company's license of exclusive trade in British Columbia and the Indian territories, but not long enough to carry out his policy of "connecting the two sides of British North America, without the obstacle interposed by a proprietary jurisdiction between them."

The Duke of Newcastle opened negotiations with the Company in 1863-4 with much vigour; but after various proposals and counter-proposals, including the

the "reconstruction" of the Company, he was obliged to treat their propositions as "inadmissible."

Mr. Cardwell, during his administration, could not accept their proposals "without considerable modifications."

The Duke of Buckingham, after many discussions with the representatives of the Company, regretted to perceive that their proposals "did not afford much prospect of an arrangement being come to," and in the communication, to which the letter of Sir Stafford Northcote is a reply, declared himself "unable to recommend the adoption" of the terms demanded by the Company.

Our notice of what, in Sir Stafford Northcote's opinion, constitutes a "cheerful" acceptance of the decision of Her Majesty's Government, would be incomplete, if we did not remind Earl Granville that the Company's "proper conditions" for the surrender of that portion of the North Western Territories, for which they can show no title, but such as may be derived from the possession of a few trading posts, established there within the last 50 years, rose from a question of "no importance at all" in 1857, or at most, to "less money than would be spent in a litigation on the subject" (House of Commons' Report, question 5834), to the retention, in 1863, in fee-simple of *half* the lands proposed to be surrendered, with various other conditions, including a guarantee by the Governments of Canada and British Columbia, of an annual profit on their own expenditures, for improvements on their own property. In 1864 these conditions took the form of a demand, first, to be paid 1,000,000 *l.* sterling from sales of lands and mines, with large reservations "to be selected by them," &c., and secondly, to be paid 1,000,000 *l.* sterling in cash, with other terms and reservations favourable to the Company. In 1868, these conditions for the surrender of territorial and governing rights over the *whole* territory remained at 1,000,000 *l.* as in the first proposition of 1864, with large reservations of land, at "selected" points, exempted from taxation, and with full liberty to carry on their trade, free from the export and import duties, to which all other subjects of Her Majesty in that country would be exposed.

In 1869, these various proposals, which no Secretary of State could possibly entertain, have all been apparently merged in one grand proposition to sell out "the territory at once for a sum of money" in cash, or bonds, the amount of which is not stated.

We content ourselves, under this head, with the observation, that whatever others may be able to see in all these transactions, we are utterly unable to discover, either a cheerful acceptance of the decision of any Government, or an honest disposition to fulfil the solemn pledges made to Parliament in 1857, on the faith of which the Company was unquestionably saved from judicial or legislative extinction.

Sir Stafford Northcote claims credit for the Company, because they have "declined to encourage overtures which have been made to them by private persons for the purchase of portions of the Company's territory with a view to their colonisation." Our information is (and we can give Earl Granville names and dates, if the point is deemed of any importance), that the only "overtures" of the kind mentioned, which the Company have received, were not merely "encouraged," but suggested and concocted, by prominent members of the Company, for the purpose of producing an impression on the Government, and with a view, not to colonisation, but to *negotiation* and the stock market.

We are not sure that we understand the statement of Sir Stafford Northcote, that the Company "have taken no step which could give rise to fresh complications, or place any new difficulty in the way of the admission of their territory into the confederation."

The sale of land to private parties for colonisation (assuming that *bonâ fide* offers have been received from such parties) could not give rise to much complication, except in the affairs of the Company. If Sir Stafford hints at the negotiations which were lately reported to be going on with certain American speculators in London, for denationalising and Americanising the Company, with a view to the "admission of their territory" into the United States instead of the Confederation, we respectfully submit that while such a difficulty might indeed be "new," the proper person to solve it would be Her Majesty's Attorney General, with the aid of a court and jury of competent jurisdiction. We do not understand that Earl Granville expects us to defend in detail the Duke of Buckingham's proposals, or to answer all the objections made to them by Sir Stafford Northcote.

The Government of Canada, as we have already reminded his Lordship, neither suggested the Act of Parliament, nor the terms of the negotiation which the late Secretary of State for the Colonies attempted to carry out under its authority. The Canadian plan of dealing with the question of the North Western Territory and Rupert's Land is set forth in the Address of the Canadian Parliament to Her Most Gracious Majesty, and we do not feel at liberty, as representatives, to suggest any other mode until we are informed by Her Majesty's Government that the one proposed is deemed impracticable.

Sir Stafford Northcote's suggestion, that "the payment of a sum of money" for the purchase of the territory would conduce to a more satisfactory result, is, we believe, the point upon which Earl Granville specially desires to have our views. Assuming that by "territory" he means the *whole* territory to which the Company lay claim, and that they are to continue as a trading corporation, retaining their posts, and allotments of land in their neighbourhood, as he states was agreed upon between the Duke of Buckingham and Lord Kimberley, we have to observe—

1. This proposition involves an abandonment of the *principle*, which two Secretaries of State (and it must be presumed two successive administrations) declared, after much consideration, and in view of the transactions of 1857, was properly and justly applicable to this case, viz., that the compensation should be derived from the future revenue of the territory itself, and payable only as it came into the hands of Government. This *principle* was also accepted by the Company in their communication of 13th April 1864.

2. On the other hand, the principle of ascertaining and fixing a money value upon the territorial rights of the Company "in the British territory east of the Rocky Mountains and north of the American and Canadian lines," and of extinguishing those rights by a payment "at once," was suggested in 1865, by a delegation from the Canadian Government of that day, and assented to by Mr. Cardwell, then Secretary of State for the Colonies, and his colleagues.

If the latter principle or mode of settlement is now to be adopted, it is obvious that the first question is—What is the nature of these "rights," and what territories do they affect? and the second—What are the rights separated from the *duties* and burdens attached to them by the Charter fairly worth?

We shall not attempt to answer these questions fully in the present communication, but we venture to submit, for Earl Granville's consideration, a few *facts* and inferences which cannot, we believe, be disputed, and which are essential elements in any calculation which may be attempted on the basis of a money purchase:

1st. The Charter of Charles II. (and for the present we raise no question as to its validity) could not, and did not, grant to the Hudson's Bay Company any territory in America which was not then subject to the Crown of England.

2. The Charter expressly excluded all lands, &c., then "possessed by the subjects of any other Christian prince or State."

3. By the Treaty of St. Germain's-en-Laye, 1632, the King of England resigned, to the King of France the sovereignty of Acadia, New France, and Canada generally, and without limits.

4. "La Nouvelle France" was then understood to include the whole region of Hudson's Bay, as the maps and histories of the time, English and French, abundantly prove.

5. At the Treaty of Ryswick (1697), 27 years after the date of the Charter, the right of the French to "places situated in Hudson's Bay" was distinctly admitted, and although Commissioners were appointed (but never came to an agreement) to "examine and determine the pretensions which either of the said kings hath to the places situated in Hudson's Bay," and with "authority for settling the limits and confines of the lands to be restored on either side," the places taken from the English (*i. e.*, from the Hudson's Bay Company) by the French, previous to the war, and "re-taken by the English during this war, shall be left to the French by virtue of the foregoing (the 7th) Article." In other words, the forts and factories of the Hudson's Bay Company, established in Hudson's Bay under pretence of their Charter, and taken possession of by the French in
time

time of peace, on the ground that they were an invasion of French territory, were restored, by the Treaty of Ryswick, to the French, and not to the Company.

6. By the Treaty of Utrecht, 1714, "the Bay and Straits of Hudson, together with all lands, seas, sea-coasts, rivers, and places situate *in the Bay and Straits*, and which belong thereto," were finally ceded to Great Britain.

7. As no definite boundary was ever established between the possessions of the French in the interior, and the English at Hudson's Bay, down to the Treaty of Paris (1763), when the whole of Canada was ceded to Great Britain, the extent of the *actual* possession by the two nations for some period, say from the Treaty of Utrecht to the Treaty of Paris, affords the only rational and true basis for ascertaining that boundary.

8. The evidence is abundant and conclusive to prove that the French traded over, and possessed, the whole of the country known as the Winnipeg Basin, and "Fertile Belt," from its discovery by Europeans, down to the Treaty of Paris, and that the Hudson's Bay Company neither traded, nor established posts, to the south or west of Lake Winnipeg, until many years after the cession of Canada to England.

9. No other, or subsequent grant to the Company was ever made, which could possibly extend their territorial rights under their Charter. The license to trade in "the Indian territories" which they obtained in 1821, was revoked in 1858, and has not been renewed.

10. The country which, in view of these facts, must be excluded from the operation of the Charter, includes all the lands fit for cultivation and settlement in that part of British America.

It will be for Earl Granville to consider whether this Company is entitled to demand any payment whatever for surrendering to the Crown that which already belongs to it. We confess our utter inability, upon any principle of law or justice, or public policy, with which we are acquainted, to estimate the amount which ought to be paid under such circumstances. The only basis of computation we can discover, applicable to such a case, is the *cost* of the legal proceedings necessary, if any be necessary, to recover possession. A person has taken possession of a part of your domain under the pretence that it is included in a deed which you gave him for some adjoining property, before you purchased the domain; you want to get rid of him, but will be compelled to bring an action. He is artful, stubborn, wealthy, and influential. He will be able to worry you with a tedious litigation. How many acres will you allow him to "reserve," and how much will you pay to save yourself the cost and trouble of a law suit? Compromises of this kind are not unknown in private life, and the motives and calculations which govern them, may be applicable to the present case. We recommend this mode of computing the amount of the payment to be made for the surrender of the North West Territory, as distinguished from Rupert's Land, with all the more confidence, because it has already been suggested by one of the ablest and most trusted of the representatives of the Company (*see Evidence of Right Honourable E. Ellice, House of Commons' Report, 1857, question 5834*).

With respect to Rupert's Land, or "the lands and territories" upon the coasts and confines of the seas, bays, &c. "that lie within the entrance of the Straits, commonly called Hudson's Straits," "not possessed by the subjects of any other Christian prince or State," a different rule, we admit, may be held to apply. Giving to the words of grant the widest construction, territorially, that could possibly be admitted by any judicial body, with the facts of the case in evidence before it, or giving to these words the construction which the Company themselves applied for a hundred years from the date of their Charter, the "rights" they propose to sell are of little commercial value. No revenue, we feel assured, will ever be derived from them. The fur trade is the only industry the country offers, as a source of profit, and this, if we rightly understand Sir Stafford Northcote's suggestion, the Company wish to retain.

It has never been alleged, even by the most sanguine advocates of the new theory of the Company respecting land sales, that any revenue can be derived from that source within the limits which we have assigned to Rupert's Land. The cost of Government there, inconsiderable though it may be, will always exceed any possible revenue. We are thus led to the same conclusion as in the

case of the territory claimed, but not owned by the Company, viz., that what they propose to sell has no pecuniary or commercial value. They are there, however, by at least a show of right; being there they obstruct the progress of Imperial and Colonial policy, and put in jeopardy the sovereign rights of the Crown over one-third (and, as some think, even a larger portion) of the North American continent. "What is it worth to have this obstruction *quietly* re-moved?" This is, perhaps, the true question, but the answer, we submit, belongs rather to Her Majesty's Government, which has the power, in the event of resistance, to remove the evil by a summary process, than to those who are little more than spectators of the negotiation.

Earl Granville is aware that several attempts have been made since 1857, to arrive at a definite agreement on the subject of compensation. The suggestions and proposals on each side, together with the actual market value of the Company's stock at different periods, supply data, which his Lordship may deem of importance, and we therefore respectfully submit our views as to the conclusions which may be deduced from them.

The first attempt of the Imperial Government to estimate and express in pounds sterling, the compensation which it would be reasonable to offer to the Company, was made by the Duke of Newcastle in 1864. The greatest sum which after "very grave consideration," his Grace felt himself able to propose for the surrender of the country west of Lake Winnipeg, was 250,000 *l.*; but the payment was subject to the following conditions:—

1. £. 150,000 was to be derived from the sale of lands by Government within the territory. The payment was to be made at the rate of 1 *s.* per acre sold, but to be entirely dependent on the Government receipts.

2. Payments were to cease whenever they reached 150,000 *l.*, and absolutely at the end of 50 years.

3. The Company was to be paid one-fourth of the sum received by Government for export duty on gold, or for mining licenses, or leases for gold mining in the territory, for 50 years, or until the aggregate amounted to 1,000,000 *l.*

4. The payment of any part of the 250,000 *l.* was contingent on the ability of the Company to place Her Majesty's Government in possession of an "indisputable title" to the territory ceded by them, as against the claims of Canada.

The last condition was objected to by the Company on the ground that they could only give such title as they had, which they contended "must be taken for better for worse." The Duke of Newcastle renewed his offer, modifying the last condition into a stipulation that, in case it should be found advisable, the territory, eastward of a line passing through Lake Winnipeg and Lake of the Woods, might be ceded or annexed to Canada, in which case, nothing would be payable to the Company in respect of *that* territory.

The present value, in cash, of such an offer, subject to the conditions and contingencies specified, would be very difficult to ascertain. The revenue from export duty on gold, and for licenses, would probably be *nil*. The revenue from land sales, if the cost of survey, management, and necessary roads, were deducted, would be *nil* also. It is very doubtful whether, if these deductions be made, the revenue from land sales in the Provinces of Canada, from 1763 to the present time, would show a surplus.

Sir Stafford Northcote quotes the price of land in Minnesota, and thence infers the value of lands on the Red River and Saskatchewan districts, which lie from five to ten degrees further north, and are still in the possession of the wild Indians of the plain; but we think it will be found that the lands in Minnesota, which sell for "one pound per acre," are either *private* lands, in the neighbourhood of towns, or the property of railway companies, on or near which millions of dollars have been expended to make them saleable; they are certainly not *public* lands, unimproved by public expenditure. Sir Stafford ought to have mentioned, at the same time, a fact which we believe is known to every emigrant who leaves the British Isles for America, that in the western states of the Union, and in the Provinces of Canada, *wild* lands are now given to settlers as "free grants," and we may add that this policy is more likely to be extended than reversed. To talk of the *value* of public lands as a source of revenue, distant from one to two thousand miles from available markets, and

and without roads or navigable waters by which to approach them, is to contradict all experience, or to assume that the cost of surveys and management, and of canals, roads, and other improvements for their development and settlement, will be supplied by those who do *not* own them, for the benefit of those who *do*; but in order to arrive at some result that can be expressed in figures, let us assume that the sum ascertained by the Duke of Newcastle to be a sufficient "compensation," would, under his proposition, have been paid within 50 years and at an average rate per annum,—we thus give the Company the benefit of all the doubts in the case, and reduce the question to a simple problem in arithmetic. What is the present value of an annuity of 5,000 *l.* for 50 years?

That value, we submit, is the highest amount in cash which can be claimed as an equivalent for the offer made to the Company in 1864, by his Grace the Duke of Newcastle.

The next offer of the Imperial Government, which mentions a specific sum, is that made by his Grace the Duke of Buckingham and Chandos, on the 1st of December last. It differs from the previous offer in several important particulars.

1. It embraces the *whole* of the territory claimed by the Company.
2. It proposes to allow the Company to retain their "posts" and certain allotments of land in their vicinity, with a small reservation in each township, as it is surveyed.
3. It proposes to allow the Company one quarter of the receipts from land (free grants being treated as sales at 1 *s.* per acre) and one-fourth of the sum received by Government as an export duty for gold and silver, or for licenses for mining for gold or silver.
4. It limits the amount to be received under these heads conjointly, at 1,000,000 *l.* sterling.

The other stipulations are unimportant for the purpose of ascertaining the cash equivalent of the proposition.

It is evident that the "unknown quantities" in this equation are as difficult to find as in the first. We know the *total* sum to be paid and the *proportion* of the receipts from lands and mines applicable for its payment, but we do not know the average annual sum likely to be realised from their sale. The minimum price is fixed at 1 *s.* per acre and it is doubtful if, under the proposed arrangement, the price would ever be found to exceed that sum. There is one term still to be ascertained, the average *number* of acres per annum likely to be sold and granted; a crude guess is all that the case admits of. If we take Upper Canada, possessing many advantages for early and rapid settlement, of which unfortunately the remote territories of the North West are deprived, we find that from its erection into a separate Province down to 1868, about 22,000,000 of acres had been disposed of by sale and grant, or an average of about 286,000 acres per annum.

Assuming that the same rate of sale, &c., is maintained in the North-West Territories (which all the old Hudson Bay authorities who know the country would pronounce a bold assumption), we have reduced the question to a simple reference to the Annuity Tables, as before, viz.: What is the present value of an annuity of 3,575 *l.* per annum for 280 years?

We have omitted from the last term the one-fourth of the Government receipts from gold and silver, for two reasons: first, it has not been shown that there are any gold or silver mines in the territory that will pay for working; second, all the attempts heretofore made to obtain a revenue from such sources in Canada have failed, and public opinion has forced the local Governments to adopt the policy of what may be called "free mining," or cheap lands for miners, and abolition of royalties and imposts, except to meet the cost of preserving the peace, and of surveys and necessary supervision.

There is another proposition on the Government side, which bears on the question of "compensation:" it results from the agreement between the representatives of the Government of Canada and Her Majesty's Government in 1865, and containing fewer elements of uncertainty than propositions which involve questions of Government policy, emigration, land, sales, &c., it can be reduced to a cash value with greater exactitude.

Mr. Cardwell describes the agreement as follows: "On the fourth point, the subject of the North-Western Territory, the Canadian Ministers desired that that territory should be made over to Canada, and undertook to negotiate with the Hudson's Bay Company for the termination of their rights, on condition that the indemnity, if any, should be paid by a loan, to be raised by Canada, under the Imperial guarantee, with the sanction of the Cabinet; we assented to this proposal, undertaking that, if the negotiation should be successful, we, on the part of the Crown, being satisfied that the amount of the indemnity was reasonable and the security sufficient, would apply to the Imperial Parliament to sanction the agreement and to guarantee the amount."

The Canadian delegates reported on the subject with a little more detail. "We accordingly proposed to the Imperial Ministers that the whole British territory east of the Rocky Mountains and north of the American or Canadian lines should be made over to Canada, subject to such rights as the Hudson's Bay Company might be able to establish, and that the compensation to that Company (if any were found to be due) should be met by a loan guaranteed by Great Britain. The Imperial Government consented to this, and a careful investigation of the case satisfies us that the compensation to the Hudson's Bay Company cannot, under any circumstances, be onerous. It is but two years since the present Hudson's Bay Company purchased the entire property of the old Company; they paid 1,500,000*l.* for the entire property and assets, in which was included a large sum of cash on hand, large landed properties in British Columbia and elsewhere, not included in our arrangement; a very large claim against the United States Government, under the Oregon Treaty; and ships, goods, pelts, and business premises in England and Canada, valued at 1,023,569*l.* The value of the territorial rights of the Company, therefore, in the estimation of the Company itself, will be easily arrived at."

The principle which this agreement between the two Governments recognises as applicable to the case appears to be, compensation in money for the ascertained rights of the Company, after deducting the value of the property retained by them. The words "if any," and "if any were found to be due," import that, in the opinion of both parties, it was possible, if not probable, that after making the deductions, no compensation would be "due."

The basis of the calculation which seems to have been made, or agreed upon, is very simple. The old Hudson Bay Company had recently sold all the rights and property of the Company, of every description, for the sum of 1,500,000*l.* An inventory agreed to by both sellers and purchasers set down the assets, exclusive of "territorial" rights, as follows:

| | £. | s. | d. |
|--|-----------|----|----|
| 1. "The assets (exclusive of Nos. 2 and 3) of the Hudson's Bay Company, recently and specially valued by competent valuers, at - - - - - | 1,023,569 | - | - |
| 2. "The Landed Territory (not valued) - - - - - | | | |
| 3. "A cash balance of - - - - - | 370,000 | - | - |
| TOTAL - - - - £. | 1,393,569 | - | - |

On the face of their own statement, 1,500,000*l.*, less the above sum, or 106,431*l.*, was the amount which the new purchasers actually paid for the "landed territory." Under the agreement of 1865, this seems to be the highest sum which Mr. Cardwell and the representatives of the Canadian Government thought could, in any event, be demanded by the Company, as indemnity or compensation for the surrender of the rights they "would be able to establish."

We have thus attempted to convert into their equivalents in cash the two offers made to the Company since 1857 by the Imperial Government, and to ascertain the amount of the indemnity contemplated by Mr. Cardwell and the Canadian delegates, in the arrangements of 1865. To arrive at any result, we have had to assume figures which, according to our experience, the facts of a new country will be more likely to reduce than to increase. We have also omitted conditions, either implied or expressed, in the proposals of 1864 and 1868, which we believe would have imposed considerable expense upon the Company.

There

There is another mode of estimating the amount to be paid on the principle of compensation for actual loss only, which remains to be considered. The stock of the Company has, for some time, been quoted at an average of 13½. The capital is, nominally 2,000,000 £., and the shares 20 £. The value of the stock, therefore, in cash, assuming that the whole of it could be sold at the market rate, is 1,350,000 £., or 43,569 £. less than the value, according to their own estimate in 1863 of the Company's assets, *exclusive* of the "landed territory."

The money obtained from the public for shares, beyond the 1,500,000 £. paid to the old shareholders, will no doubt be amply sufficient to make good any deficiency in the valuation of 1863.

From a consideration of these data, we submit that if the validity of the Charter is not now to be questioned; if the territorial extent of the country affected by it is not to be defined; if the claim of Canada to include within her boundaries a large portion, if not the whole, of the country occupied by the French at the time of the cession in 1763, is not to be investigated, and finally determined; if the admitted incapacity and the notorious neglect of the Company to perform the *duties* of Government (which were part of the consideration for the *rights* conceded by the Charter) are not to be taken as sufficient on public grounds to justify cancellation and re-entry by the Crown; then the very highest indemnity, which ought to be paid in cash, for a surrender of the territorial claims of the Company, with the reservations and other privileges offered by His Grace the Duke of Buckingham and Chandos, is the sum indicated by the foregoing computations.

We must, in conclusion, express to Earl Granville our strong conviction that no money offer, which either the Imperial or the Canadian Government would deem reasonable, will be accepted by the Company, and that to delay the organisation of constitutional government in the North-West Territory until the Hudson's Bay Company consent to reasonable terms of surrender is to hinder the success of Confederation in British America, and to imperil the interests and authority of the British Crown in the territories now ruled by the Company.

We therefore respectfully submit for Earl Granville's consideration, whether it is not expedient that the Address of the Canadian Parliament be at once acted upon, under the authority of the Imperial Act of 1867.

But if his Lordship should see any sufficient legal or other objection to that course, then we ask, on behalf of the Dominion Government, for the immediate transfer to that Government of the "North-West Territory," or all that part of British North America from Canada on the east, to British Columbia, Alaska, and the Arctic Ocean on the west and north, not heretofore validly granted to and now held by "the Governor and Company of Adventurers of England trading into Hudson's Bay," by virtue of a charter of King Charles the Second, issued about the year 1670.

We have, &c.
(signed) *Geo. Et. Cartier.*
William M'Dougall.

— No. 5. —

COPY of a LETTER from Sir *Frederic Rogers*, Bart., to Sir *G. E. Cartier*, Bart., and *W. M'Dougall*, Esq., C. B.

Gentlemen,

Downing-street, 9 March 1869.

LORD GRANVILLE transmitted to the Governor of the Hudson's Bay Company a copy of your Letter of the 9th February,* and I enclose, by his Lordship's directions, a copy of the answer which he has received.

The conclusions to which he has been led, after a careful consideration both of the correspondence which has passed and of the various representations made orally to him by yourselves and by the Governor and Deputy Governor of the Company, are embodied in the enclosed Letter, which he has directed me to

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address

No. 5.
Sir F. Rogers,
Bart., to Sir G.
Cartier, Bart., and
W. M'Dougall,
Esq., C. B.
9 March 1869.
* Page 52.

26 February 1869.
Page 38.
Colonial Office,
9 March 1869.
Page 40.

address to Sir S. Northcote, and which you will be good enough to consider as conveying to yourselves also the views of Her Majesty's Government. His Lordship is confident that you will give it your earnest attention.

Command Paper,
19 June 1865,
Canada Conference.

His Lordship desires me to add, that in case the terms suggested in this letter should be accepted by the parties concerned, Her Majesty's Government would be prepared to fulfil the expectations held out in Mr. Cardwell's Despatch of 17th June 1865, and to propose to Parliament that the Imperial guarantee should be given to a loan of 300,000 £., the sum which is proposed to be paid over by Canada to the Company on the transfer of the Company's rights.

As this is a matter in which the Company has no interest, it is not adverted to in my letter to Sir Stafford Northcote.

I am, &c.
(signed) *Frederic Rogers.*

— No. 6. —

No. 6.
Sir G. Cartier,
Bart., and W.
M'Dougall, Esq.,
c.B., to Sir F.
Rogers, Bart.
27 March 1869.
* Page 63.

COPY of a LETTER from Sir G. Cartier, Bart., and W. M'Dougall, Esq., c. B., to Sir Frederic Rogers, Bart.

Westminster Palace Hotel, London,
27 March 1869.

Sir,

YOUR Letter of the 9th instant,* enclosing a copy of the proposals made by Lord Granville to the Hudson Bay Company in your Letter to Sir Stafford Northcote of the same date, has not been formally acknowledged by us in consequence of a doubt, not yet removed, as to the acceptance of those proposals by the Company. We stated verbally to Lord Granville our objections to his proposals, but finally consented to recommend them to the Canadian Government on condition that the Company first signified their acceptance of them.

Sir Stafford Northcote has since opened communication with us directly, and proposed important modifications of Lord Granville's terms, to which we could not assent. On some points of detail we agreed that the terms might be varied or qualified, if such variation or qualification would be likely to make the arrangements, as a whole, more acceptable to the shareholders of the Company. We understand Sir Stafford Northcote has acquainted Lord Granville with the correspondence which has passed between us on this subject.

The Company having, at their meeting of the 24th instant, postponed for a fortnight the question of accepting Lord Granville's proposals, we regret that we are unable to await their decision. Our public duties require that we should immediately return to Canada, and we have now the honour to repeat the request contained in our letter of the 9th February, viz., that immediate action may be taken by the Imperial Government upon the Address of the Canadian Parliament of December 1867, or that, pending the negotiations for the transfer of Rupert's Land, "the North Western Territory," or all that part of British North America from Canada on the east, to British Columbia, Alaska, and the Arctic Ocean on the west and north, not heretofore validly granted to and now held by "The Governor and Company of Adventurers of England trading into Hudson's Bay," may be immediately transferred to the Dominion of Canada, under the authority of the British North America Act of 1867.

We have, &c.
(signed) *Geo. Et. Cartier,*
Wm. M'Dougall.

A P P E N D I C E S.

Appendix.

APPENDIX I.

CLAUSE 146 of the BRITISH NORTH AMERICA ACT, 1867.

XI.—ADMISSION OF OTHER COLONIES.

146. It shall be lawful for the Queen, by and with the Advice of Her Majesty's Most Honourable Privy Council, on Addresses from the Houses of the Parliament of Canada, and from the Houses of the respective Legislatures of the Colonies or Provinces of Newfoundland, Prince Edward Island, and British Columbia, to admit those Colonies or Provinces, or any of them, into the Union, and on Address from the Houses of the Parliament of Canada to admit Rupert's Land and the North Western Territory, or either of them, into the Union, on such terms and conditions in each case as are in the Addresses expressed and as the Queen thinks fit to approve, subject to the provisions of this Act; and the provisions of any Order in Council in that behalf shall have effect as if they had been enacted by the Parliament of the United Kingdom of Great Britain and Ireland.

Power to admit
Newfoundland, &c.
into the Union.

APPENDIX II.

ANNO TRICESIMO PRIMO et TRICESIMO SECUNDO VICTORIÆ REGINÆ.

CAP. CV.

AN ACT for enabling Her Majesty to accept a Surrender upon Terms of the Lands, Privileges, and Rights of "The Governor and Company of Adventurers of England trading into Hudson's Bay," and for admitting the same into the Dominion of Canada.
[31st July 1868.]

WHEREAS by certain Letters Patent granted by His late Majesty King Charles the Second, in the twenty-second year of His reign certain persons therein named were incorporated by the name of "The Governor and Company of Adventurers of England trading into Hudson's Bay," and certain lands and territories, rights of government, and other rights, privileges, liberties, franchises, powers and authorities were thereby granted or purported to be granted to the said Governor and Company in His Majesty's Dominions in North America:

Recital of Charter
of Hudson's Bay
Company, 22 Car. 2.

And whereas, by the British North America Act, 1867, it was (amongst other things) enacted that it should be lawful for Her Majesty, by and with the advice of Her Majesty's most Honourable Privy Council, on Address from the Houses of the Parliament of Canada, to admit Rupert's Land and the North Western Territory, or either of them, into the Union on such terms and conditions as are in the Address expressed, and as Her Majesty thinks fit to approve, subject to the provisions of the said Act:

And whereas, for the purpose of carrying into effect the provisions of the said British North America Act, 1867, and of admitting Rupert's Land into the said Dominion as aforesaid, upon such terms as Her Majesty thinks fit to approve, it is expedient that the said lands, territories, rights, privileges, liberties, franchises, powers and authorities, so far as the same have been lawfully granted to the said Company, should be surrendered to Her Majesty, Her heirs and successors, upon such terms and conditions as may be agreed upon by and between Her Majesty and the said Governor and Company as hereinafter mentioned:

Recital of agreement
of surrender.

Be it therefore enacted, by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

1. This Act may be cited as "Rupert's Land Act, 1868."
2. For the purposes of this Act the term "Rupert's Land" shall include the whole of the lands and territories held or claimed to be held by the said Governor and Company.
3. It shall be competent for the said Governor and Company to surrender to Her Majesty, and for Her Majesty by any instrument under Her sign-manual and signet to accept a surrender of all or any of the lands, territories, rights, privileges, liberties, franchises, powers and authorities whatsoever granted or purported to be granted by the said Letters Patent to the said Governor and Company within Rupert's Land, upon such terms and conditions as shall be agreed upon by and between Her Majesty and the said Governor and Company; provided, however, that such surrender shall not be accepted by Her Majesty

Short Title.

Definition of "Rupert's Land."

Power to Her
Majesty to accept
surrender of lands,
&c. of the Company
upon certain terms.

Appendix.

until the terms and conditions upon which Rupert's Land shall be admitted into the said dominion of Canada shall have been approved of by Her Majesty, and embodied in an Address to Her Majesty from both the Houses of the Parliament of Canada, in pursuance of the one hundred and forty-sixth section of the British North America Act, 1867; and that the said surrender and acceptance thereof shall be null and void unless within a month from the date of such acceptance Her Majesty does by Order in Council under the provisions of the said last-recited Act admit Rupert's Land into the said Dominion; provided further, that no charge shall be imposed by such terms upon the Consolidated Fund of the United Kingdom.

Extinguishment of
all rights of the
Company.

4. Upon the acceptance by Her Majesty of such surrender all rights of government and proprietary rights, and all other privileges, liberties, franchises, powers, and authorities whatsoever, granted or purported to be granted by the said Letters Patent to the said Governor and Company within Rupert's Land, and which shall have been so surrendered, shall be absolutely extinguished; provided, that nothing herein contained shall prevent the said Governor and Company from continuing to carry on in Rupert's Land or elsewhere trade and commerce.

Power to Her
Majesty by Order
in Council to admit
Rupert's Land into
and form part of the
Dominion of Canada.

5. It shall be competent to Her Majesty, by any such Order or Orders in Council as aforesaid, on Address from the Houses of the Parliament of Canada, to declare that Rupert's Land shall, from a date to be therein mentioned, be admitted into and become part of the Dominion of Canada; and thereupon it shall be lawful for the Parliament of Canada, from the date aforesaid, to make, ordain, and establish within the land and territory so admitted as aforesaid, all such laws, institutions, and ordinances, and to constitute such courts and officers as may be necessary for the peace, order, and good government of Her Majesty's subjects and others therein: provided, that until otherwise enacted by the said Parliament of Canada, all the powers, authorities and jurisdiction of the several courts of justice now established in Rupert's Land, and of the several officers thereof, and of all magistrates and justices now acting within the said limits, shall continue in full force and effect therein.

Jurisdiction of
present Courts and
officers continued.

APPENDIX III.

COPY of a LETTER from the Right Hon. Sir *Edmund Head*, Bart., K.C.B., to
Sir *F. Rogers*, Bart.

Sir,

Hudson's Bay House, London, 11 November 1868.

I HAVE the honour to acknowledge your letter of the 9th ultimo, in which you state that his Grace the Duke of Newcastle will be ready to consider any proposal submitted to him by the Hudson's Bay Company with reference to the introduction of the direct authority of Her Majesty's Government in Rupert's Land. It is gratifying to myself and the Committee to find that an opening is thus afforded for discussing plans which, to us, appear to have an important bearing on the future welfare of British North America.

At the same time, in order to avoid all misapprehension, it may be right to observe that it is not precisely as a boon to themselves that the Hudson's Bay Company have called his Grace's attention to the establishment of a colony at Red River. Probably their commercial interest would be equally served if things remained as they are, and if their trade were carried on as it has been. It is not, at any rate, with a view to immediate pecuniary profit that they have raised this question, and it is likely, for the present at least, that they would lose fully as much as they would gain by the increase of settlement in the chartered territory. Such appears to have been the unvarying opinion of this Committee before the change made in July last.

It may, no doubt, be said that the Hudson's Bay Company are merely endeavouring to escape from the troublesome responsibility of governing the Red River Settlement and the adjacent district.

In answer to this, I would observe that the responsibility, whatever it may be, which is imposed by the charter on the Company must be correlative with the rights and powers vested in them for the purpose of discharging that duty. What these rights and powers are not, is pretty clear from the following passage in the letter of the Law Officers of the Crown, dated 1st July 1857 (Appendix to Report of Committee, page 404). These gentlemen say:—

"But with respect to any right of Government taxation, exclusive administration of justice, or exclusive trade, otherwise than as a consequence of the right of ownership of the land, such right could not be legally insisted on by the Hudson's Bay Company as having been legally granted to them by the Crown."

The power of taxation may be thought to be the first and necessary condition of all effective powers of Government; but if this first condition is wanting, it would seem to follow that the powers vested in the Company of governing others than their own servants and dependants must be of a very limited character; and if the power is limited, so also must the responsibility be limited.

The Company are fully competent to manage their own people, and they believe that they have proved themselves more competent to manage the Indians than any Government or

Association

Association which has yet tried its hand at this work in North America. They have preserved peace and good-will on one side of a frontier when war and savage hatred have raged on the other. They have done so, no doubt, from interested motives, but the motives of those who failed in accomplishing the same task, have perhaps not been more pure.

In the present case the question at issue is not the Government of the Hudson's Bay officers and servants, or of the Indians, but the exercise of proper authority and protection over those subjects of her Majesty, mostly unconnected with the Company, who have chosen to settle at Red River, or who may hereafter settle in the adjoining territory. These considerations then, and the future position of British interests in North America (in which, no doubt, the Hudson's Bay Company are deeply interested), not the hope of immediate advantage, have induced the present Committee to express, as they have done in their resolution of the 28th August last, the conviction that the time had arrived for introducing into these regions the direct authority of the Crown.

I have to assure his Grace, that the Committee will esteem themselves fortunate if they are able to co-operate with him in the establishment there of such a Government as he may deem fitted for the wants of the people and the circumstances of the time.

I have had the honour of several conversations with you on this subject, from which I infer that the Secretary of State is unwilling to deal with the question of establishing a Colonial Government in Rupert's Land, so long as the Company maintain, unimpaired, their claim to the exclusive ownership of the soil within that territory. It is not for me, or the Committee of the Hudson's Bay Company, to discuss the reason for such a view. We certainly assume that the Company are proprietors of the land under the charter, and we think that this *prima facie* title is impliedly recognised in the letter of the Law Officers of July 1st, 1857, already quoted. No one has contested in a court of any kind a possession which has existed for 200 years; and the Committee do not, themselves, clearly see why the exercise of this private right of ownership of the soil, by individuals, or by a corporate body, should be deemed incompatible with the exercise of the Queen's public authority in matters of government. They do not see why that which is the normal state of things in most other colonies should be inadmissible in this particular portion of British North America; but it is not their business to enter into this question. They are anxious to do all they can to smooth over difficulties rather than raise them, and I will, therefore, proceed to consider what would probably be the nature of the territory to be included in any such Colony, and what are the measures which the Hudson's Bay Company would be prepared to take in order to facilitate its establishment. It will be for his Grace the Duke of Newcastle to decide whether the sacrifices they are ready to make are of a nature to warrant any action on the part of the Crown.

With regard to the extent of the proposed Colony, of which the seat of Government would be Red River (or Fort Garry), the Committee presume that his Grace would wish it to include the whole country from the frontier of the United States, to the north branch of the Saskatchewan, and to extend eastward towards Lake Superior as far as the frontier of Canada, wherever the precise line of that frontier may be found. Perhaps the most convenient limit for the northern boundary would be either the Saskatchewan itself, or a line running from the Rocky Mountains eastward through Edmonton House and Fort Cumberland, and from the latter following the Saskatchewan down to Lake Winnipeg. Nothing would be gained by going farther to the northward, nor by including the eastern side of Lake Winnipeg, but from the mouth of the Winnipeg River where it enters the lake, the line of demarcation might be run eastward until it cut the Canadian frontier somewhere north of Lake Superior or Lake Huron.

Of this large tract, Assinaboia, or the district round Red River, forms but a small portion, although it includes a good deal of the land which is probably fittest for settlement. In 1834 the Hudson's Bay Company repurchased this district from Lord Selkirk for a consideration amounting to upwards of 80,000 *l.* This fact alone makes it clear that it would be impossible for the Committee, as Trustees for the Company, to entertain the question of ceding the ownership of the soil without compensation or equivalent of some kind.

The most obvious, simple, and satisfactory settlement of the question of transfer would of course be that the Crown should compensate the Company for their property by a sum of money paid either at once or in a series of annual payments; but to the supposed value of the soil would have to be added the price of the Company's interest of all mines of gold and silver which are by express words given in the Charter. It is clear that the recent discovery of gold in the territory would cause the proprietary to reject any bargain which implied the gratuitous cession of these rights. The Committee would be quite willing that the exact amount to be paid to the Hudson's Bay Company for the land should be calculated on the principle of what they themselves paid to Lord Selkirk for a portion of it, and they would be prepared to discuss the fair worth both of territory and mining rights, or to submit the assessment of their value to impartial arbitrators.

But the Committee also know that the Secretary of State may find difficulties in the way of a large money payment of any kind, and in order, as far as they can, to remove all obstacles to this negotiation they have authorised me to propose another alternative as a middle course, which they think would be admissible, although far from welcome to many of their own proprietors.

This alternative is as follows, viz., that, subject to certain special stipulations to be stated hereafter, the Company should retain the ownership in fee simple of one-half of the lands in the Colony and the other half should be conveyed by the Company to the Crown. The actual division should be one based on considerations of the extent and value of different

Appendix.

sections, derived from soil, situation and climate. The details might be settled afterwards if the principle were once admitted. In the portion fitted for settlement and along the frontier the division might be made at once in alternate blocks of so many thousand acres, or so many square miles. In the unsettled and remote portion of the country the division might stand over indefinitely, provided a power was given to either party to initiate proceedings against squatters and trespassers. The undivided lands might be managed by a board of commissioners.

The stipulations of which I have spoken, and which it appears to the Committee would be reasonable, are as follows :

1st. The Hudson's Bay Company should have the sole right to erect, and should bind themselves to complete, within five years, an electric telegraph to connect British Columbia and Canada. The line for this telegraph should be approved by the Secretary of State, and it should be maintained by the Company, who would of course engage to convey the messages of the Imperial and Colonial Governments at a fixed and moderate rate.

It would be necessary as a condition precedent to the erection of the telegraph,—

(A.) That the Governments of British Columbia and Canada should pledge their faith respectively to the Secretary of State to pay the yearly sum set forth in the enclosures to the Despatch of 31st July 1862, with all the advantages as to lands to be granted by Her Majesty's Government, and other terms therein specified.

(B.) That a road should be laid out along the line of telegraph, but the soil on which the telegraph stands, and the space (say one mile in width on one side of its course) should belong to the Hudson's Bay Company, to be reckoned as part of the half of the land which they would retain. The other side of the road might be included in the half belonging to the Crown.

(C.) That the Company, in constructing the telegraph, should be entitled to use wood or other materials taken from ungranted land.

2nd. The Crown shall resume the grant of mines and diggings of gold and silver throughout the Colony on condition of paying to the Hudson's Bay Company one-third of the receipts of all dues, royalties, rents, &c. from such mines or diggings, whether raised by way of export duty or otherwise ; but the Company should not be liable for expenses of collection or escort.

3rd. The buildings required for military or Government purposes at Fort Garry or Red River should be valued and purchased of the Company.

4th. The Company should retain, as a portion of their half of the lands, all lots already laid out and surveyed, as well as 5,000 acres round each of their forts or posts.

The Committee trust that the Duke of Newcastle will view these proposals of theirs as an evidence of an anxious desire to meet His Grace's wishes.

While suggesting a plan which involves the cession of the Company's right of property over one-half of a vast tract of British North America, the Committee simply ask that the Crown will exercise on British soil, in favour of British subjects, that amount of control and protection which the Queen's prerogative can alone afford ; a protection, in other cases, at least, deemed perfectly consistent with the unimpaired enjoyment of existing rights of private property, and which, in fact, is commonly thought to be directed specially to the maintenance of those very rights against wrong and violence of any kind.

I have, &c.

(signed) *Edmund Head,*

Governor of the Hudson's Bay Company.

Sir Frederic Rogers, Bart.
&c. &c. &c.

COPY of a LETTER from *Chichester Fortescue*, Esq., M.P., to the Right Honourable Sir *Edmund Head*, Bart., K.C.B.

Sir,

Downing-street, 11 March 1864.

THE Duke of Newcastle has considered, with the care which their importance requires, the proposals contained in your letter of the 11th November last, respecting the introduction of the direct authority of Her Majesty's Government into Rupert's Land.

The first of these proposals is as follows :—It appears that in 1834 the Company purchased from Lord Selkirk the tract of land called Assinaboia, on which the Red River Settlement now stands, for a consideration amounting to upwards of 80,000 *l.* You propose to cede to the Government that territory, together with a far larger tract described in your letter, on receiving :

1. £. 80,000. for the district of Assinaboia.
2. A payment for the rest of the land calculated on the principle of what the Company paid to Lord Selkirk, and
3. The price of the Company's right to all mines of gold and silver.

His

His Grace infers from the tenour of your letter that the payment made to Lord Selkirk was an actual payment of 80,000 £. in money, and not a mere share in the profits of the Company, to some amount supposed to be equal to 80,000 £. But, however the payment was made, he apprehends that it formed part of a large arrangement by which the two companies, which are now combined in the Hudson's Bay Company, put an end to a competition which was becoming ruinous to both of them, and had to be stopped at all hazards. If this is the case, the terms of purchase afford no safe grounds for conjecturing whether 80,000 £. was really a fair market price for the land at the time of the purchase. But his Grace cannot consider this statement to have any bearing on the present negotiation. It appears to him that in making a purchase of land there are really only two questions to be considered, first, what the land is worth to the vendor, and, secondly, what it is worth to the purchaser. It is plain that neither of these questions is even remotely affected by the price which (wisely or unwisely) may have been paid for it to Lord Selkirk in 1834. And his Grace is unable therefore to adopt the proposed principle of valuation.

Nor could he consent to pay the assessed value of the gold and silver which is or may be found in the Company's territory. On this subject a good deal of experience has already accumulated. Judging from this experience, it is very doubtful whether the Crown could raise a revenue from the gold miners more than sufficient to meet the expenses which they entail, and very probable that the revenue so raised might be insufficient for its purpose. That a private corporation should succeed in compelling this class of persons to pay any considerable revenue to be expended, not for the digger's own benefit, nor even for the benefit of the general community, but for the benefit of the corporation, his Grace holds to be absolutely impossible.

He does not consider therefore that the interests of the company in the unascertained and unavailable source of profit is a matter capable of assessment.

Thus much as to the principle of valuation. Passing to the mode of payment, his Grace observes that you are alive to the difficulty of applying to Parliament for a grant of money from the Imperial Treasury. But he thinks it necessary to state clearly that the difficulty is, in his opinion, insuperable, and that having reference to the position of the Company and the views on Colonial expenditure, which are prevalent in and out of the Legislature, any appropriation of Imperial funds by vote of Parliament to the compensation of the Company must be considered as out of the question.

It follows to consider the second alternative proposed on the part of the Company; but before doing so, I am directed to notice your observation that the exercise of the private right of ownership of the soil by individuals, or by a corporate body, need not be deemed incompatible with the exercise of the Queen's authority in matters of government, and you point out in support of your opinion that this is in fact the normal state of things in most other Colonies. This the Duke of Newcastle fully admits. He would even add that it is also the normal state of things in the United Kingdom and in most other settled countries.

The obvious distinction lies in the fact that these colonies and countries *are* settled. From this fact it follows first that there is a large amount of property, independent of any proceeds derivable from the sale of land, which is applicable to the government and improvement of the country, and next that it is not a matter of public policy to attract immigration by a wise disposal of the public lands. In an unsettled colony there is no effectual mode of taxation for purposes of government and improvement, and the whole progress of the Colony depends on the liberal and prudent disposal of its land. These considerations afford decisive reasons against leaving that land in the possession of a corporation; and I am to observe that these objections, conclusive in any case, are greatly enhanced in the case of the Hudson's Bay Company, as I learn from your letter that it has been "the unvarying opinion" of the committee, on whose behalf you speak, that the Company would "lose fully as much as they would gain by the increase of settlement in the chartered territory." It is therefore (to say the least) a question whether the Company would not be under a direct inducement to use their proprietary rights to thwart the colonizing efforts of the Government.

It is true that in former times the whole soil of a settlement was frequently conveyed to a proprietary body; but in these cases the responsibilities of Government followed the grant of property. Those who were invested with extensive corporate rights of possession bore (like the East India Company in its earlier days) the whole expense both of civil government and of military defence.

In Prince Edward Island the right of property was more recently disjoined from that of Government, but the result has not been such as to invite imitation.

The second alternative proposed in your letter, then, is this; that the whole territory which it is proposed to bring under the authority of the Crown should be divided into large blocks or tracts of land, which shall be assigned alternately to the Crown and to the Company. Waste lands, till so assigned, being managed by a board in which both parties should be represented.

To this proposal his Grace feels himself unable to assent. The difficulties of management which might be expected to arise in working such a plan, would in themselves be sufficiently formidable. The expense, delay, and controversy which might arise in defining and maintaining the boundaries of Crown lands, and the improbability that a cordial agreement would continue between the persons representing different and often conflicting interests in the proposed land board, are serious dangers. But the conclusive objection to the scheme is that it would reproduce in a gigantic shape the inconveniences which on a

far smaller scale were found intolerable in Canada. It is evident, as a matter of reasoning, and notorious as a matter of fact, that the interposition of large blocks of property between tracts or districts of Crown land, must obstruct the opening up of those districts, unless it fortunately happens that the private proprietor is ready to expend money *pari passu* with the Government in the construction of roads and other improvements, and to conform his land policy to that of the authorities.

His Grace cannot consent to make himself responsible for these consequences, and he is therefore obliged to treat as inadmissible any proposal for the proprietary partition of those territories which may be placed under the government of the Crown.

1. That within certain geographical limits (coinciding more or less with those laid down in your letter) the territorial rights of the company should be surrendered to the Crown.

8. That one-fourth of the sum received by the Government as an export duty for gold, or on leases of gold mines, or licenses for gold mining, shall be payable to the company for 50 years, or until the aggregate receipts shall amount to 100,000*l*.

It must be clearly understood that the payments contemplated in the second and third of these articles are entirely dependent on the Government receipts, and that the Government will not be pledged to any particular form of levying a tax upon gold.

If the company should find themselves unable to accept these terms, or some modification of them, his Grace does not see how it will be possible for him to recommend that the Crown should assume any responsibility in respect of the Hudson's Bay territories, and it will rest with the Company to apply to Parliament for such powers, as may, in their opinion, enable them to preserve order in the country in which they are interested.

I am, &c.
(signed) Chichester Fortescue.

P.S.—Since the above letter was drafted, his Grace has received from the Governor General of Canada a Despatch, from which it appears that the Canadian Government contemplate the assertion of a claim to all that portion of Central America which can be shown to have been in the possession of the French in 1763. It must be understood that the above suggestions are made on the supposition that the cession by the Company will place Her Majesty's Government in possession of an indisputable title to the territory ceded by them.

Sir, Hudson's Bay House, London, 14 March 1864.

The Committee deeply regret to find that none of the proposals made by them has been found admissible by his Grace the Secretary of State for the Colonies; but as this is the case, there is no further use in discussing the principles on which they were based, or the details involved in them.

It is true that these claims are not new; they were expressly stated in the same form in the petition from the Board of Trade of Toronto, which was before the Parliamentary Committee of 1857, and they were in fact discussed by that Committee, and were referred to in the letter of the Attorney and Solicitor General to the Right Honourable H. Labouchere. The Law Officers there say, that the question of boundary could not be made the subject of a *quasi* judicial inquiry without the consent of both parties, and that a decision of a Committee of the Privy Council would have no effect in such a case as a binding judicial determination. They had previously stated, that "in the case of grants of a considerable

age

"age, such as this charter, when the words, as is often the case, are indefinite or ambiguous, the rule is, that they are construed by usage and enjoyment, including in these latter terms the assertion of ownership by the Company on important public occasions, such as the Treaty of Ryswick and Utrecht, and again in 1750."

Appendix.

When Sir Frederic Rogers, in his letter of 9th October 1863, intimated the readiness of his Grace the Secretary of State to receive any proposal made on the part of the Company, the fact that these claims had been made by Canada, and had not been waived, was as well known as it now is. The nature of the title of the Hudson's Bay Company also was then as well, perhaps better, known to the Secretary of State than it is to us. I say, perhaps better, because the Law Officers of the Crown have, we believe, at various times given the Colonial Office the benefit of their observations thereon, an advantage which the Company, of course, have not enjoyed to the same extent.

We believe the title of the Hudson's Bay Company to be good, and we are prepared to defend it in any court in which it may be impugned; but we are not prepared to originate any inquiry of the kind, or to undertake to give any guarantee, or to present to the Secretary of State any title other than that which I have already said is as well known to his Grace as it is to ourselves. Such as it is, it must be taken for better for worse, for we have no other to offer, and we believe that to be sufficient. If, therefore, any such guarantee or undertaking is a condition precedent to the completion of an arrangement on the basis now suggested in your letter of the 11th instant, it will, we fear, be wholly useless for us to enter into the consideration of the principle of that offer, or any discussion how far the details involved in it are or are not acceptable to the Company, or how far the amount of compensation would be sufficient.

If, indeed, the question were one only of some few miles, more or less, of boundary, the case would be wholly different. But in the form in which the claim is presented to us in your postscript, it appears to the Committee to make all further action impracticable.

We may perhaps be permitted to make one other remark on the postscript of your letter.

The claim of Canada, if it means anything, seems to assert that certain rights of a foreign power modify the operation of the Charter. These foreign rights were acquired by Treaty for the Crown of England in 1763, nearly 100 years after the grant of the Charter. Now, after the possession and recognition in various ways for two centuries, the validity of this instrument is attacked on the ground of those supposed rights. The claim thus made may be good or bad, but it appears to us singular that the Company should be required by the Crown itself to warrant the validity of its own Charter. There are legal methods, no doubt, of rescinding, by the courts, improvident or unlawful grants emanating from the Crown. In 1857 the Law Officers were consulted by Mr. Labouchere as to the possibility or equity of having recourse to proceedings of this kind in this case, and they gave their answer in the letter referred to above. Our rights, such as they are, come from the Crown, and it seems to us, who are unlearned in the law, somewhat strange that the Crown, the grantor, should ask of the Hudson's Bay Company, the grantee, a warranty for a title derived immediately from itself. It adds to this apparent anomaly, that the only competing title against which the warranty could be required is the title of the Crown itself in another shape. We presume that the object of the Canadian Government is to open the country for settlement—an object which it would be in the power of the Colonial Office to secure at any rate, and which the Hudson's Bay Company have no wish whatever to prevent.

Appendix to Report,
pp. 403 and 404.

But for this preliminary difficulty, arising from the postscript to your letter, it would now be my duty to call your attention to the fact that that letter makes no allusion to a substantive portion of our offer, to which we attach great importance; that, namely, of erecting, on certain terms, an electric telegraph across the Hudson's Bay territory. We have ceded to no one the right to do this, and we are perfectly ready, on fair conditions and as part of the arrangement, to undertake to do it ourselves; nor is anything said, in the counter proposal made by you, as to the portions of land which the Company might be allowed to retain as private property, nor as to the manner in which their posts, or their buildings and improvements would be dealt with.

To revert for a moment to the electric telegraph, it is obvious that, so far as it goes, the mere appearance of a vague claim on the part of Canada, pressed upon us now or countenanced by the Secretary of State, must have a tendency to deter us from any outlay of capital in this or any other form. We had hoped to have taken the first steps for the erection of the telegraph in the present season, and we know by experience that in a distant country where winter begins early and lasts till late, a season lost is the loss of the whole year.

I trust, sir, that in laying these remarks before his Grace the Secretary of State, you will assure him that they are offered with great humility and respect, and that we are as ready as we ever were to deal in a fair and candid spirit with this or any other offer made to us. So far as the proposal itself goes, and irrespective of this question of title, the Committee rejects no basis of negotiation (if that is a proper word to use in a correspondence between a private company and Her Majesty's Government), and what they have said is dictated only by a sense of the duty incumbent on them to uphold the interests of the Company whose affairs they administer.

I have, &c.

Chichester Fortescue, Esq. (signed) Edmund Head,
&c. &c. &c. Governor.
Colonial Office.

Appendix.

COPY of a LETTER from *C. Fortescue* Esq., M.P., to the Right Honourable
Sir *E. Head*, Bart., K.C.B.

Sir, Downing Street, 5 April 1864.

I AM directed by the Duke of Newcastle to acknowledge the receipt of your letter of the 14th ultimo, in which you state that the Committee of the Hudson's Bay Company are prevented by the postscript of my letter of the 11th from taking into consideration the proposals contained in that letter relating to the transfer of part of Rupert's Land to the Crown.

It appears to the Duke of Newcastle that the Committee has somewhat misapprehended the intention with which that postscript was written.

It is assumed, for the present purpose, that the grant to the Hudson's Bay Company is a valid grant; but it appears to be contended on the part of Canada, that whether valid or not, an instrument which only granted to the Company land not in possession of a foreign power in the year 1670, could not, from its very terms, comprehend in 1763 a territory which then belonged to the French, and which it is contended must therefore have then belonged, and belongs now to Canada.

If this claim, on the part of Canada, were established it would evidently be impossible for Her Majesty's Government to secure that lands to which it extended, should when sold, be subject to a payment of 1s. an acre to the Hudson's Bay Company. It is therefore impossible for his Grace to make any pledge of this kind, except as to land which is beyond the scope of the Canadian claim.

As regards the territories west of the Mississippi, to which the present negotiation in the main relates, the Duke of Newcastle, after a careful examination, is prepared, for the purpose of the present negotiation, to assume that the Canadian claim is groundless. And he therefore authorises me to renew the proposals contained in the body of my letter of the 11th, subject to the following stipulation: that in case it should be found advisable to cede or annex to Canada any territory lying eastward of a line passing through Lake Winnipeg, and from thence to and through the Lake of the Woods, Her Majesty's Government should be at liberty to exempt the annexed territory from all payment to the Hudson's Bay Company, which payments would thenceforth be exclusively leviable (without any deduction from their amount) on the territories acquired by the Crown to the west of the above line of demarcation. His Grace hopes that this suggestion will remove the difficulty by which the Hudson's Bay Company at present conceive themselves to be embarrassed.

His Grace did not direct me to offer any observation on your proposal for the construction of a road and telegraph, because he had already commenced negotiations on that subject with gentlemen representing the Atlantic and Pacific Telegraph and Transit Company, whose project he had recommended to the favourable consideration of the Colonies concerned. He is now informed, that this company has transferred its rights and responsibilities to the Hudson's Bay Company. That transfer his Grace is most willing to recognise, if it is recognised by the Colonies concerned. And he is further willing, that on the completion of the road and telegraph, from the frontier of Canada to that of British Columbia, lands adjacent to the line shall be granted to the company, at the rate of one square mile for every lineal mile of road and telegraph constructed on Crown land between the line of demarcation, above described, and the frontier of British Columbia.

The form and exact situation of these grants should, in his Grace's opinion, be left for future discussion, the principle being, that a strip of land, two miles in width, along the line of road and telegraph, is to be divided equally between the Government and the Company. But, in other respects, the grants will be subject to the conditions expressed in the 3rd article of a Memorandum, enclosed in a letter addressed to the Duke of Newcastle by Mr. Watkin, on the 28th April 1863,* and in Mr. Fortescue's answer of 1st of May, and must be understood to stand in lieu of the grants contemplated by that article.

I enclose a Parliamentary Paper, in which Mr. Watkin's letter is printed, with the correspondence relating to it.

The Right Hon. Sir E. Head, Bart.

I am, &c.
(signed) *C. Fortescue*.

COPY of a LETTER from the Right Honourable Sir *E. Head*, Bart., K.C.B., to
C. Fortescue, Esq., M.P.

Sir, Hudson's Bay House, London,

13 April 1864.

I HAVE had the honour of receiving your letter of 5th April,* which has been laid before the committee of the Hudson's Bay Company, and considered by them at a special meeting summoned for that purpose.

After the explanation given with reference to the postscript of your letter of the 11th ultimo, the Committee feel that they are in a position to renew the negotiation, with every hope of coming to a satisfactory conclusion. They think this, because they trust it will be found that their demands, on the part of the Company, differ in degree, rather than in principle, from the offers made by his Grace the Duke of Newcastle.

2. The

H. of C., No. 438 of
1863, page 12.

* Above.

2. The Committee do not object to the proposal that a payment of 1s. per acre for all lands sold should be made to the Company, in proportion as the money is received by the Government; nor do they object to the term of 50 years as the limit of time, after which such payment should cease. They think, however, that if a limit of time is fixed, there ought to be no limit of amount, inasmuch as the Government pay nothing beforehand, and will be called on to hand over the money only on the supposition that they receive a larger sum themselves. If the lands sell freely the receipts of the Government will be increased, and the Committee do not see why the share of the Company should not in justice increase in proportion.

If, however, any limit in the amount of the payments to be made to the Company by this and the next article is absolutely required, the Committee would be willing to agree that the produce of the two together; that is, of the 1s. an acre for land, and the percentage on the gold, should not, in the aggregate, exceed 1,000,000 l.

It is necessary to make one observation with reference to the payments on account of land. According to the letter of the proposal, it would be open to the Colonial Government to defeat the claim of the Company altogether by adopting a system of free grants; and it must therefore be understood, if this is done on any ground of policy, the payment to the Company should be made notwithstanding.

3. With regard to the per-centage on the proceeds of gold, the Committee are willing to accept the proportion of one-fourth, as stated in your letter, it being clearly understood that they are not called on to defray any portion of the expense of collection or escort. Here again, however, it appears to the committee, whilst they are willing to admit the limit of time, that the limit in amount, looking to the contingent nature of the payment, ought to be withdrawn.

At any rate, they could consent to it on the terms already stated in Article 2; that is to say, if the possible limit were extended to 1,000,000 l. for both lands and gold conjointly.

4. If, in exchange for the rights to be ceded by the Hudson's Bay Company, the Government were about to pay an adequate money consideration not contingent in its character, there would be, of course, no reason why the sellers should expect to retain any large portion of the soil, or to reserve to themselves the chance of future benefit from the future prosperity of the Colony. But the offers now made are of a totally different character. No profit will accrue to the Company unless the Government itself makes a higher one; and the committee, as trustees for the proprietors, feel it to be absolutely necessary to stipulate for certain additional reservations in land, which I will proceed to specify. I may add, too, that such a reservation would appear to be politic in the interest of the Colony itself. For many years to come the Company must be closely connected in trade with the territory which they propose to relinquish; and it appears important, on every account, that they should retain what may be called "a share in the stake"; that they should feel their own interest on landowners, as well as merchants, wrapped up with those of the Colony, and should have every inducement to contribute, by their influence and proceedings, to its future well-being and tranquillity. There is nothing, perhaps, in which the Company could exert this influence more beneficially than in discouraging the use of spirits in the trade with the natives; and it would be their interest and their wish to second every effort of the Colonial Government in this direction.

The Committee therefore ask—

(a). That the Company should retain as private property all their posts and stations on which buildings have been erected, with an area of not less than 6,000 acres round each such post; but they do not of course intend that this clause should apply to the Red River Settlement.

(b). That they should, in like manner, retain all lots set out and occupied by them.

(c). That whenever the Government of the Colony shall have sold or granted 50,000 acres, the Company should be entitled to a grant of 5,000 acres of wild land, to be selected by them.

The Committee have proposed this mode of reservation, because it appears to them to obviate the objection which may reasonably be made to setting apart beforehand a number of isolated tracts of wild land, dotted over the surface of the Colony, and calculated to impede the free flow of settlement in the territory. In this manner the grants to the Company will only proceed equally with the progress of colonisation; and the demand will hardly seem extravagant when it is considered that the total number of acres to be at once handed over cannot be estimated at less than 200,000,000.

5. The Committee think it necessary to provide that the Colonial Government shall not at any time tax the lands or property of the Company, in any way, or on any scale, different from that on which the lands or property of other proprietors are taxed.

6. The Committee assume that all charges of a public character which now fall on the Hudson's Bay Company shall, as a matter of course, be transferred to the Government of the Colony. As regards the salary of the Bishop of Rupert's Land, the Company, by the Governor and Deputy Governor, act jointly with others as trustees of what is called "The Leith Fund." For the discharge of these trusts, so far as that fund is concerned, they of course would remain answerable, but they think that they ought to be relieved of any obligations (over and above the proceeds of the fund) which they have taken on themselves as a matter of liberality and public policy. In an equitable arrangement of all these matters, without injury to the interest of the Church or of individuals, the Committee see no real difficulty.

Appendix.

7. The next point to be dealt with is the important question of the electric telegraph, and the opening a communication sufficient for the passage of the mails across the present territory of the Company from Canada to British Columbia.

The Committee are quite willing to accept the paper submitted by Mr. Watkin to his Grace the Duke of Newcastle as the basis of this arrangement, and are prepared to place themselves substantially in the position of the Atlantic and Pacific Transit and Telegraph Company, subject to the following alterations:—

The point at which the telegraph will probably begin on the eastern side of the territory, will be either Pembina or Rainy Lake, according as Canada may or may not adhere to the original terms proposed. If Canada should decline to fulfil what is laid down in the paper referred to, the Company will of course be compelled to make the best bargain they can with the lines traversing Minnesota, and passing through the United States; and they will have to forego the guarantee of interest originally held out from Canada. Rainy Lake is named, not as being the admitted frontier of the province, but simply as the conventional point eastward, assumed in your Despatch.

With regard to the third article in the paper referred to, the letter of its provisions is not wholly applicable to the altered state of things; but in accordance with your letter of the 5th instant, the Committee are willing to adopt its spirit as the basis of the arrangement to be made. They cannot however admit that one square mile for every lineal mile of telegraph would be an adequate allowance of wild land for such an undertaking. They believe it will be found that in all such enterprises through an unsettled country in America, the proportion of land granted to the contractors has been far larger, and they think that the claim in their case is strengthened, rather than weakened, by the fact that the land to be passed through is a very small portion of that which they themselves propose to cede for a consideration for a time, at least little more than nominal.

The Committee, on referring to the printed correspondence forwarded by you, find that Sir Frederic Rogers, in his letter of 28th August 1862 (p. 7), expressed the gratification of his Grace the Duke of Newcastle at the readiness of the Company to make a grant of land to the promoters of the proposed passenger and telegraphic communication; but they believe, on the best authority, that the most moderate demand ever made by Mr. Watkin, when then sent to the Company by his Grace, very far exceeded the breadth of five miles of wild land for every lineal mile of telegraph. Below this amount of wild land to be set out in alternate sections, as proposed in the 3rd article (p. 13) of Mr. Watkin's paper, the Committee could not reduce their demand.

8. Such, sir, are the conditions which the Committee feel bound to offer to Her Majesty's Government, after a full consideration of all the circumstances of the case. Even with these conditions they do not feel sure that they shall escape, on the part of their proprietors, the question, "What are we to obtain for this cession of our rights in so large a territory? Why are we (the Hudson's Bay Company) to purchase at so large a cost the exertion of the Queen's authority on British soil rendered necessary by no fault of ours"? Could we, under any circumstances, be worse off than we shall be in sacrificing, for a contingent consideration, this vast mass of property, and the chance of profit from its future development.

If we did not think that these questions admitted of a satisfactory answer, we should not, as trustees for the proprietors, convey to you the offers made in this letter. But it may be difficult to convince our shareholders that (as we believe) the real interests of the Company and of Her Majesty's Government will be equally promoted by their adoption in the form now suggested.

I have, &c.
(signed) *Edmund Head*, Governor.

The Right Hon. Chichester Fortescue,
&c. &c. &c.

COPY of a LETTER from Sir *F. Rogers*, Bart., to the Right Honourable
Sir *E. Head*, Bart., K.C.B.

Sir,

Downing-street, 6 June 1864.

I AM directed by Mr. Secretary Cardwell to inform you that he has had under his consideration your letter of the 13th of April last.

Mr. Cardwell will not be prepared to accept, without considerable modifications, the terms contained in it. But before sending to you, in answer, the terms to which he would be prepared to bind Her Majesty's Government, he feels that it will be necessary to consult the Lords of Her Majesty's Treasury, and to ascertain more fully the views which may be entertained by the advisers of the Governor General of Canada.

In the meantime he does not understand that you are willing to undertake to complete a line of telegraph and road to the Pacific until you shall have received the assurances from Canada, British Columbia, and Vancouver Island, to which reference has been made in the former correspondence.

I am, &c.
(signed) *Frederic Rogers*.

The Right Hon. Sir *E. Head*, Bart.
&c. &c. &c.

COPY of a LETTER from the Right Honourable Sir *E. Head*, Bart., K.C.B., to
Sir *F. Rogers*, Bart.

Sir,

Hudson's Bay House, London, 7 December 1864.

In my letter of 13th April 1864,* a definite proposal involving the cession of a certain portion of the Company's territory, and rights of property therein, was made by me (subject to the approval of the proprietors) on behalf of the committee of the Hudson's Bay Company. We cannot but feel that the long delay which has taken place in answering this proposal has been detrimental to the interests of the Company in more ways than one; but, looking to the reasons assigned by the Right Honourable the Secretary of State for such delay, in your letter of 5th April 1864, we have not hitherto felt at liberty to press for a final decision.

The discussion which has now arisen respecting the union of the North American Provinces under one government, has made us think it may be expedient for us to submit to the Secretary of State another scheme for carrying out this transfer; not because we wish to alter or retract our previous offer, but simply as an alternative which we, on behalf of the Company, and subject to the approval of our proprietors, should be ready to accept.

The territory, with its mining rights, affected by such transfer, has been sufficiently defined in the former correspondence, but it may be roughly described as follows:—

On the west bounded by British Columbia.

On the north by the Northern Saskatchewan down to Lake Winnipeg.

On the east by a line from the mouth of the Saskatchewan to the point where the Winnipeg river enters that lake; and thence, by a parallel of latitude due east, until such parallel cuts Canadian territory by intersecting the watershed between the basin of the Lakes and the St. Lawrence on the one hand, and that of Hudson's Bay on the other.

On the south by the United States boundary, or by any outlying portion of British territory not included in this Company's lands.

The conditions on which we would recommend the proprietors to cede this territory, and all mining rights and rights of property or Government within it, are the following:—

1. That the Company be paid 1,000,000 *l.* sterling.
2. That the Government of British North America acknowledge the Company's right to trade, without exclusive privileges of any kind, within the territory.
3. That the Company should hold in fee simple all their posts now occupied, with a reasonable area round each post. All previous sales and bargains at Red River, made by them, shall be confirmed.
4. That the Government of British North America shall impose no exceptional taxes on the Company, its property, or its servants.
5. That the disputed matter of the Company's lands in Canada be settled by issuing grants on the footing formerly agreed upon between Mr. Vankoughnet and Mr. Hopkins.
6. That the Company shall be bound to hand over to the Government of British North America all the materials for the construction of the telegraph, on payment of the cost-price and expenses already incurred.

You will understand, sir, that the proposal contained in this letter is not to be construed as any withdrawal or modification of that previously made, but that it is laid before the Secretary of State simply as a possible alternative.

The committee are of opinion that in the event of the transfer of the territory to any Colonial Government, such transfer ought to be effected, and the conditions stipulated, with the Company, ought to be embodied in an English Act of Parliament.

Before closing this letter it is right that I should state, for the information of the Right Honourable the Secretary of State, that Dr. Rae has returned to England, having traversed the whole district, from Red River over the pass leading to Tête Jannée Cache, and thence down the Fraser to New Westminster. Every assistance was given him in British Columbia, and he reports that it is perfectly easy to construct across this country a line of telegraph, as well as a road sufficient for the carriage of the mails. Telegraphic wire and insulators in sufficient quantities are already at York Factory on the Mississippi, or on the voyage to Victoria, so that all the materials will be in the spring on the spots where they are required, and the Company will await with anxiety the decision of Her Majesty's Government as to the offers now in the hands of the Secretary of State.

Sir *F. Rogers*, Bart.,
&c. &c. &c.

I have, &c.
(signed) *Edmund Head*,
Governor.

Appendix.

COPY of a LETTER from *T. Frederick Elliot*, Esq., to the Right Honourable Sir
E. Head, Bart., K.C.B.

Sir, Downing-street, 23 January 1867.

At a recent interview between Sir C. Lampson and yourself on the one side, and Lord Carnarvon on the other, respecting the position of the Hudson's Bay Company, some doubt appeared to exist respecting the exact state of the inchoate or intended negotiation for the transfer of certain of the rights claimed by the Company to Her Majesty's Government of the Province of Canada.

With the view of explaining the present position of the Canadian Government, I am directed by Lord Carnarvon to enclose extracts from a Minute of the Executive Council of Canada, dated the 22nd of June 1866, from which you will perceive, that while the question of confederation is pending the Canadian Government consider themselves incompetent to initiate negotiations, and bound to reserve them for the Confederate Government and Legislature.

It is, of course, for the Hudson's Bay Company to consider for themselves what course is most proper and conducive to their own interests. But it appears to Lord Carnarvon that any effective negotiation, being for the moment impossible, it is for the interest of both parties that the question should remain open for arrangement so soon as an authority exists capable of dealing with it on the part of the Colony or Colonies interested. He would, therefore, regret to learn that the Company contemplated any immediate action which was calculated to embarrass the negotiations which would then become possible, and which, in the opinion of the Executive Council, it would be the duty of the Confederate Government to open.

The Right Hon. Sir E. Head, Bart.
&c. &c. &c.

I am, &c.
(signed) *T. Frederick Elliot*.

(Enclosure.)

EXTRACT of a REPORT of a Committee of the Honourable the Executive Council, approved by His Excellency the Governor General in Council, on the 22nd day of June 1866.

* * * * *

"Impressed with this conviction Canada would, ere this, have opened negotiations with the Hudson's Bay Company for the extinction of their claims, had it not been for the prospect of her speedy absorption in the proposed union of the British North American Colonies, it would obviously have been improper for the Canadian Government to commence negotiations which they could not hope to complete, or to enter into engagements, the fulfilment of which must fall on the whole Confederated provinces.

* * * * *

"Recent events serve to show that in a few months that union will be effected, and the Committee will have no doubt that the Confederate Government and Legislature will feel it to be one of their first duties to open negotiations with the Hudson's Bay Company for the transfer of their claims to the Territory. Meanwhile Canada invites the aid of Her Majesty's Government in discountenancing and preventing any such sales of any portion of the Territory as is now applied for."

CANADA (RUPERT'S LAND).

COPY or EXTRACTS of CORRESPONDENCE between the Colonial Office, the Government of the Canadian Dominion, and the Hudson's Bay Company, relating to the Surrender of RUPERT'S LAND by the Hudson's Bay Company, and for the Admission thereof into the Dominion of *Canada*.

(*Mr. Monk.*)

Ordered, by The House of Commons, to be Printed,
11 August 1869.

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